C. P. U. No. 351

COMMITTEE ON PUBLIC UNDERTAKINGS (1978-79)

(SIXTH LOK SABHA)

EIGHTEENTH REPORT

Action Taken by Government on the recommendations contained in the Seventh Report of the Committee on Public Undertakings (Sixth Lok Sabha)

On

CENTRAL INLAND WATER TRANSPORT CORPORATION—OBJECTIVES AND RIVER SERVICES

Presented in Lok Sabha and
Laid in Rajya Sabha on

LOK SABHA SECRETARIAT
NEW DELHI
March, 1979/Chaitra, 1901 (Saka)
Price : *Rs. 3.00*

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EIGHTEENTH REPORT ON ACTION TAKEN BY GOVERNMENT ON THE RECOMMENDATIONS CONTAINED IN THE SEVENTH REPORT OF THE CPU (6TH LOK SABHA) ON CENTRAL INLAND WATER TRANSPORT CORPORATION-OBJECTIVES AND RIVER SERVICES

Page No.	Para No.	Line	For	Read
(vii)	sub-para of para 4	2	traction	fraction
-do-	-do-	5	going	facing
(viii)	5	9	crew	new
3	-	2	consu-mers	consumes
3	-	2	friction	fraction
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7	-	3	Delete the word "for" in between "completed" and "within"	
7	1.16	5	Delete the word "of" between "toward" and "the growth"	
8	1.19	8	friction	fraction
8	1.20	3	discrete	discreet
8	sub-para of para 1.20	1	Substitute the word "the" in between "that" and "road" in place of "a"	
8	-do-	2	Delete word "committed" after, taken to"	
10	Item F	2	as	at
11	1.28	8	recommend	recommended
13	1.33	2	engage	engaging
17	1.49	1	IFT	IWT
38	-	4	Insert the word "but" after "by road"	
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(1978-79)

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9. Shri K. N. Dhulap
10. Shri Era Sezhiyan
11. Shri Viren J. Shah

INTRODUCTION

I, the Chairman, Committee on Public Undertakings having been authorised by the Committee to submit the Report on their behalf, present this Eighteenth Report contained in the Seventh Report of the Committee on Public Undertakings (Sixth Lok Sabha) on Central Inland Water Transport—Objectives and River Services.

2. The Seventh Report of the Committee on Public Undertakings was presented to Lok Sabha on the 24th April, 1978. The replies of Government to all recommendations contained in the Report were received in two batches on 17th July and 20th October, 1978 respectively. The Committee called for further information in respect of two recommendations which was received from Government on 3rd February, 1979. The replies of Government were considered by the Action Taken Sub-Committee of the Committte on Public Undertakings and this Report adopted by them at their sitting held on the 7th March, 1979. The Report was finallly adopted by Committee on Public Undertakings on the 12th March, 1979.

3. An analysis of the Action Taken by Government on the recommendations contained in the Seventh Report of the Committee is given in Appendix III.

4. Despite the distinctive advantages of and the need for water transport system the successive Plan allocation for inland water transport was negligible and there was shortfall in utilization. The examination and approval of centrally sponsored schemes by the Planning Commission and the Ministry were tardy. An early probe into the matter is necessary because the question why and how water transport was relegated to the back stage has to be answered convincingly not only for bringing to book the officials who erred but also for correcting the distortion that had crept in. A discreet enquiry alone will bring out the existence of a powerful private road transport lobby as apprehended by the Committee. The enquiry should cover the role played by Shri Sat Prakash, former Director (Transport) in the Planning Commission.

In the case of water transport there is hardly any initial investment and the energy consumed is but a traction of what is consumed by other modes of transport. This is precisely the reason why even advanced countries are going in a big way for fullest utilisation of inland-water-ways. It should be remembered that we are going energy famine.

5. As regards the adverse results of the working of the CIWTC, the factors listed by Government are but the product of mismanagement and there was no inherent drawback in the system itself. An impression has been given that the present management of the Corporation is making efforts to revive and develop the river services. The Committee's examination has thus not been in vain. It is hoped that in view of the immense economic benefit Government will sustain as well as expand the water transport with a system of subsidies for crew services and subsidised credit facilities to entrepreneurs besides qualitative strengthening and upgrading of the concerned Directorate of the Ministry.

JYOTIRMOY BOSU,

Chairman, Committee on Public Undertakings.

New Delhi;

March 21, 1979

Phalguna 30, 1900(S).

CHAPTER I

REPORT

1.1. This Report of the Committee deals with the Action Taken by Government on the recommendations contained in the Seventh Report of the Committee on Public Undertakings (1977-78) on Central Inland Water Transport Corporation—Objectives and River Services—which was presented to Lok Sabha on the 24th April, 1978.

1.2. Action Taken notes have been received from Government in respect of all the 48 recommendations contained in the said Report. These have been categorised as follows:—

(i) *Recommendations/observations that have been accepted by the Government*:

Serial Nos. 1, 2, 4, 5, 6, 7, 8, 13, 20, 21, 22, 26, 27, 28, 29, 30, 32, 33, 34, 35, 36, 38, 39, 40, 42, 43, 44, 45, 46, 47 and 48. (31)

(ii) *Recommendations which the Committee do not desire to pursue in view of the Government's replies:*—

Serial No. 37. (1)

(iii) *Recommendations in respect of which replies of Government have not been accepted by the Committee:*—
Serial Nos. 3, 15, 16, 19, 24; 25 and 31. (7)

(iv) *Recommendations in respect of which final replies of Government* are still awaited:

Serial Nos. 9, 10, 11, 12, 13, 14, 17, 23 and 41. (9)

1.3. The Committee will now deal with the action taken by Government on some of their recommendations.

A. Distinctive Advantages of Inland Water Transport

Recommendation at Serial No. 1 (Paragraph 1.67)

1.4. Dealing with distinctive advantages of Inland Water Transport the Committee made the following observations:—

"The Committee note that Inland Water Transport, which is an ancient, dependable and the cheapest mode of transport, continues to play a vital role in the transportation

system and economic development throughout the world. This is because of its several inherent advantages over other modes of transport. It is well recognised all over the world that inland water transport is the cheapest mode of transport. While the initial investment on providing 1 Km. of track of rail is about Rs. 10 lakhs, and of road Rs. 4.5 lakhs, it is only Rs. 2 lakhs in the case of inland water transport and that too on waterways which have less of water during the lean season. Similarly while the maintenance cost per km. of track per year is Rs. 9,600 for rail Rs. 4,500 for road, it is as little as Rs. 1,000 for inland water transport. Further more the basic requirement of traction *viz.* energy—whether it is fuel, oil, coal or electricity to move an equivalent tonnage is far less on waterways and a barge has the lowest relative dead weight with a minimum of friction loss. One Horse Power is known to move 150 kgs. on road, 500 kgs. on rail and 4000 kgs. on water. Inland Water Transport is thus the least energy consuming system of transport."

1.5. In their reply, the Government have stated as follows:—

"The general advantages of I.W.T. are recognized. However, whether inland water transport is cheaper than other alternative modes in a particular case will depend on the nature of commodities to be transported, relative distance between point of origin and destination by waterways and other alternative modes, the distance over which the goods have to be carried, the efficiency of technology used in I.W.T. and competitive modes and other relevant factors. It will not be correct to say that inland water transport is always the cheapest mode of transport although in some parts of the country and for some specific areas it has, no doubt, competitive advantage over other modes of transport. The figures quoted in the above recommendation appear to be on the findings of IWT Committee (Bhagavati Committee) 1970. The figures of capital investment and maintenance cost, etc., have since gone up for all the modes with the passage of time and general increase in prices."

1.6. The Committee are surprised to note that the Government have lost sight of two very basic facts which govern the cost factor i.e. **(i) the initial investment cost; and (ii) quantum of energy consumed in the matter of transport business. In the case of water**

transport there is hardly any initial investment and as far as the energy consumed is concerned it consumers only a small friction of what other modes of service transport consume. This is precisely the reason why the advanced countries are going in a big way for fullest utilisation of inland water ways. There cannot be any two opinions about this. The Government must make fullest use of all the water resources in the country as fully and as quickly as possible.

B. **Need to have an efficient Water Transport System.**

Recommendation at Serial No. 3 (Paragraph 1.69)

1.7. Commenting further on the need to have an efficient water transport system in the country specially in the Eastern and North-Eastern regions, the Committee observed:

> "The Committee feel that the most crucial problem that the country is facing today is the price rise in which transport cost of commodities is an important factor to be reckoned with. Inland Water Transport which is the cheapest mode of transport can greatly help in reducing and stabilising the prices of commodities. Further, inland water transport provides employment to a large number of people, helps in promoting tourism, reducing congestion in big cities and protecting environment from pollution etc., besides having the advantage of no pilferage or breakage due to lack of viberation during transit. Above all, an efficiently operated inland water transport system, specially in the Eastern and North-Eastern Regions is indispensable from the defence point of view according to the highest echelon of defence authorities. Conservation of waterways, apart from facilitating the smooth running of inland water transport serves as a flood-control measures and also help in the development of irrigation and pisciculture."

1.8. In their reply the Government have stated as under:—

> "In so far as development of IWT from the Defence angle is concerned, the Ministry of Defence has intimated as under:—
>
> 'We are of the view that there is no specific requirement for enhanced development of Inland Water Transport System in North Eastern State purely from defence point of view. IWT system is not cost effective when compared to rail

transportation. In fact it is very much costlier than transportation by rail, besides being more time consuming. However, we do support the proposal for development of IWT resources in North Eastern region as a part of general development of the area; such development would have spin-off benefits from defence point of view also.'

So far as the other advantages of IWT are concerned, a reference is invited to reply against Recommendation No. 1"

1.9. The Committee are most unhappy to note the comments of the government. It is the considered opinion of the governments in the North-Eastern Region and the North-Eastern Council that due to acute inadequacy of transport system, development programmes are being held up and the price index of consumers goods which are required to be imported from other areas are going up with the passage of time. During the Second World War numerous inland water transport services were organised by the then Defence Department in North-Eastern Region and those proved to be of an immense service to the entire defence operations. The Committee would, therefore, reiterate that considering the integrated defence and other aspects of North-Eastern region, Inland Water Transport is an indespensable more and topmost priority should be attached to it.

1.10. It is expected that the Ministry of Shipping & Transport and the Planning Commission would immediately initiate follow-up action to ensure that inland waterways are fully used for transportation of commodities of all sorts in the North-Eastern region particularly. Inland Water Transport is absolutely indispensable as it would also be an Insurance against flood and other exigencies. The Interim and final Report of the National Transport Policy Committee should be placed on the Table of Parliament by March-1979. The Committee expect that the National Transport Committee would move fast in the matter accordingly.

C. Probe into the relegation of Water Transport to the Back Stage

Recommendations at Serial Nos. 7, 8, 9, 10, 11. 12, 13 & 14 (Paragraphs 1.73, 1.74, 1.75, 1.76, 1.77, 1.78, 1.79 1.80)

1.11. The Committee noticed that on the one hand the successive plan allocations for inland water transport was negligible and that there was shortfall in utilisation. The examination and approval of centrally sponsored schemes by the Planning Commission and the

Ministry were tardy. In this connection the Committee recommended as follows:—

"The Committee recommend that the reasons for the non-utilisation of provision in full should be gone into in depth and corrective measures taken immediately to ensure that the allocations for inland transport in Five Year Plans and Annual Plans are fully utilised." (Paragraph No. 1.74).

"The Committee note with deep anguish that out of 16 Centrally Sponsored schemes examined by the Planning Commission during the 3 years 1974—77, seven schemes were approved and in respect of 9 schemes the Commission made back references and asked for additional information which was still awaited from the Ministry and which in one case is pending since August, 1974. In the case of another scheme, the Commission examined and re-examined the scheme four times and still asked for further information. This shows how the tentacle of the anti-inland water transport lobby was having its way." (Paragraph 1.75)

"The Committee are clear in their mind that it is nothing but a calculated sabotage of schemes of economic importance and therefore, they would require the Government to institute a fact-finding probe to find out the role that each officer in the Ministry of Shipping and Transport including its Inland Water Transport Directorate and in the Planning Commission played to relegate the water transport to the back stage, so as to fix the responsibility for the lapse and to bring the erring officers to book."

1.12. In their replies the Government have stated as follows:—

" ...the main reasons for non-utilisation of provision in full have been lack of adequate Inland Water Transport Organisations at the Centre and the States. All the States except Jammu & Kashmir have now set up Inland Water Transport Organisation. The question of strengthening the Inland Water Transport Organisation at the Centre is also under consideration."

"The Department of Personnel & Administrative Reforms were requested to lend the services of a suitable officer to conduct this probe. That Department intimated that their

officers did not have the requisite practical experience to conduct such a fact find probe as recommended by the Committee in para 1.78. Thereafter, the Cabinet Secretary was addressed to advise as to the officer who may be appointed to conduct the probe recommended by the Committee. The Cabinet Secretary has advised that the present Secretary, Ministry of Shipping and Transport could go into a few of the schemes in order to arrive at a judgement whether the delays were motivated or took place in the ordinary course of bureaucratic handling. The matter is, therefore, being looked into by the Transport Secretary who has selected a few schemes at random to examine whether the delays in their finalisation were motivated or took place in the ordinary course."

1.13. The Committee are unable to accept the justification for past actions of the Planning Commission and the Government for the meagre allocation of funds for IWT. The very fact that CIWTC has 'picked up' after the submission of this Committee's Report goes to prove what the Committee recommended was just and right.

The Committee would, emphasise the need of taking very energetic steps by the Government in the matter of further utilisation of plan allocation for inland water transport.

1.14. The Committee are more than convinced that the action on the part of the officers concerned amounting to almost shelving of the scheme and hence it calls for drastic action and till such time the final decision is taken the concerned officers should not be allowed to stay in a position of responsibility, particularly where transport matters are dealt with. The Committee understand that one of the officers have gone to Railways where he is handling proposals for new railway lines. This is inadvisable.

1.15. It is unfortunate that there has been needless delay in instituting a probe as suggested by the Committee into the neglect of water transport all these years. The Committee has quoted specific instances where schemes were unduly delayed or shelved. Hence, the Committee require that the Ministry should speed up its examination and on the basis of his conclusions an independent enquiry should be ordered promptly with a view to fix responsibility. This is necessary because the question, why and how water transport was relegated to a back stage, has to be answered convincingly not only for bringing to book the officials who errored but also for correcting the distortion that had crept in. After the

Secretary has reported. The matter should, therefore, be handed over to the CBI for detailed investigation as already recommended by Committee to be completed for within three months from date of presentation of this Report. The Committee are of the opinion that it should be a coordinated effort involving the Planning Commission and the Ministry of Transport at the highest level. The matter should be reported in the Annual Report of the Ministry at the earliest opportunity.

D. Influence of a Private Road Transport Lobby

Recommendation at Serial Nos. 15, 16, 17 and 18 (Paragraphs 1.81 to 1.85)

1.16. The Committee felt that the existence and influence of a private road transport lobby in the Planning Commission, the Ministry of Shipping and Transport, its Inland Water Transport Directorate and other Government agencies was the main reason for lack of positive attitude and policy towards of the growth of inland water transport in the country. They added that because of this most of the schemes of inland water transport had been kept in cold storage or rejected on one pretext or the other. They also observed that the private road transport lobby seemed to have been responsible for the closure of government owned road transport corporation.

The Committee urged the Government to ensure that these elements should not be allowed to operate in a clandestine manner in the corridors of power in order to thwart the growth of inland water transport. They also recommended a CBI inquiry in the matter. The Committee had a feeling that the former Director (Transport) in the Planning Commission (Shri Satya Prakash now Economic Advisor Railway Board) was a votary and sympathiser of road transport and might have some link with the road transport lobby and they wanted Government to consider whether it would be desirable to retain such a person in the Railway Board.

1.17. In their reply the Government stated that the question of instituting a fact finding probe to find out as to why and how water transport was relegated to a back stage was under consideration.

It was also stated that Government took the decision for the closure of Central Road Transport Corporation on the recommendations of the Committee on Public Undertakings in view of the adverse financial results of the CIWTC and it was not influenced by the so-called private road transport lobby in this regard.

1.18. Government have further stated that they were not aware of any organised Road Transport Lobby that might have attempted to thwart the growth of I.W.T., and its decision were not influenced by such a lobby. The reasons for delay were, however, being looked into. As regards the CBI enquiry into the private lobby the Government stated that in the absence of specific details about the malpractices on the part of the "Road Transport Lobby" and various officers, it was not possible to institute any CBI enquiry. The Government further intimated that Shri Satya Prakash formerly Economic Adviser, Ministry of Railways on his selection for an assignment under the Commonwealth Fund for technical cooperation was relieved of his duties in the Ministry of Railways w.e.f. 31.1.1978 and was working as a senior Economist (Transport and Communications) Uganda.

1.19. In the matter of subverting the functioning of the Central Road Transport Corporation, private transporters and the section of persons in the employment of the Corporation were greatly responsible. The adverse financial results of the Corporation confirms only the above contention. This has, however, no relevance with the contention of the Committee that private transporters' lobby are out to destroy Inland Water Transport which could carry transport goods at a friction of the cost which the road transport operators would actually incur.

The Committee would have appreciated if Government did not prejudice the issue by stating that decisions were not influenced by any organised Road Transport lobby but instead awaited the results of the probe. As urged earlier in this report the probe should be ordered without any further loss of time.

1.20. The Committee after taking into consideration all relevant facts before them had come to the conclusion regarding the organised road transport lobby that only a discrete enquiry by suitable investigating agency could reveal further. The Ministry should not make any statement at this stage which would prejudice such an exercise. This kind of observations emenating from the Ministry without making a regular enquiry could only amount to shielding the involved persons.

The Committee have definite reasons to suspect that a road transport lobby in collusion with certain officers have taken to committed malpractices and when it is collective finding of the Committee, the matter should be referred to CBI for making descrete enquiry into the matter.

1.21. The Committee would require that Shri Sat Prakash should also make himself available for the enquiry. Shri Sat Prakash must have realised the fact while tendering evidence before the Committee that he was likely to go under the severe criticism of the Committee. The Committee would be interested to know as to when his selection for a foreign assignment was first initiated and the date on which it was finalised.

E. Case for subsidised credit Facilities Water Transport Entrepreneurs

Recommendation at Serial No. 19 (Paragraph 1.86)

1.22. The Committee pointed out that inspite of specific recommendations of a National Committee, the Inland Vessels Development Fund had not been instituted even after a lapse of about eight years. The Committee recommended that the Government should take all possible initiative to bring into existence an Inland Vessels Development Fund with adequate finances in order to help enterpreneurs in the Inland Water Transport field both in the public and private sectors, so that they could obtain liberal credit on "Differential rates of Interest."

The Committee added that in the meanwhile these entrepreneurs should be allowed to make use of the Shipping Development Fund for meeting their requirements of finance.

1.23. In their reply Government have stated as under:—

"The recommendation of the Bhagavati Committee for setting up of an Inland Vessels Development Fund was considered but could not be implemented due to constraint of resources. The matter has been reviewed and the proposal for advancing loans to entrepreneurs through banks and other institutions at subsidised rates is being processed.

So far as grant of loans from Shipbuilding Development Fund is concerned, subsection (1) of Section 16 of the Merchant Shipping Act, 1958 provides that the Shipping Development Fund shall be applied towards meeting the expenses of the Shipping Development Fund Committee and for granting loans and financial assistance in any other form:-

(a) to persons of the description mentioned in Section 21—

(i) for the acquisition and maintenance of ships, including modification, reconstruction and renovation thereof;

(ii) for meeting any short-term financial requirements;

(b) to Indian Shipyards for the construction of new ships.

The inland water vessels are governed by the Inland Vessels Act, 1917 and, therefore, vessels solely deployed for inland water navigation do not come within the purview of the definition of "ships" under the Merchant Shipping Act and are not registered under the Act. Therefore, the financial assistance or loan from the Shipping Fund would not be possible for meeting the requirements of entrepreneurs in the inland water transport field."

1.24. The Committee would urge that the proposal for advancing loans to Inland Water Transport entrepreneurs through banks and other public financial institutions at subsidised rates should be processed at the earliest opportunity and that funds commensurate with the need of their sector should be clearly earmarked in the credit plan of the Reserve Bank of India from the current year.

The Merchant Shipping Act, 1958 and other relevant statutes should be suitably amended immediately either through an ordinance or through a Bill so as to make it possible for the Shipping Development Fund to be utilised by entrepreneurs of inland water transport business. This should be widely publicised at the same time.

F. Declaration of Important Waterways at National Water ways Recommendation as Serial No. 20 (Paragraph 1.87)

1.25. The Committee emphasised the importance of declaring the important waterways as National Waterways as suggested by Inland Water Transport Committee (Bhagavati Committee) as far back as 1970. They required the Government to enact the requisite Legislation before the end of this year.

1.26. The Government in their reply stated:—

"The question of enactment of a law for declaration of national waterways has been examined in consultation with the Law Ministry. According to the advice, it will be necessary to specify a particular waterway to be declared as national waterway in the Bill itself. The proposal for enactment of a legislation for declaration of Farakka-Haldia Waterway as a national waterway is accordingly being processed. The question of declaring other waterways as

national waterways by amendments to this Act will be considered subsequently after necessary hydrographic and traffic studies have been conducted and estimates of the likely costs and benefits have been prepared."

1.27. The Committee expect that soon after completing the requisite formalities speedily Government should bring forward necessary Legislation for declaring important waterways as National Waterways before the Parliament without any loss of time.

G. Chief Engineer-cum-Administrator

Recommendation at Serial No. 24 (Paragraph 1.91)

1.28. Commenting on the slow development of inland water transport the Committee noted that the Inland Water Transport Directorate in the Ministry of Shipping and Transport is headed by the Chief Engineer-cum-Administrator, who is a Civil Engineer and who has no practical experience of inland water transport. This may be one of the reasons why no progress in the development of Inland Water Transport in the country could be made. The Committee, therefore, recommend that urgent steps should be taken to place a knowledgeable person having on inland water transport backgrounds and necessary expertise and dynamism at the head of the Directorate, so that quick and clear decisions can be taken and the Directorate can find a new impetus to effective and efficient functioning of inland transport organisation.

1.29. The Government in their reply stated as follows:—

"2. .....most of the functions allotted to the Directorate involve Civil Engineering aspect and as such a Civil Engineer is considered to be more suitable for the post of Chief Engineer-cum-Administrator, IWT Directorate. Under the recruitment Rules for the post of suitable person having Civil Engineering degree with 15 years experience in a supervisory capacity as essential qualification for the post and experience in dredging, river training and conservancy work as desirable qualification has to be appointed to the post In the case of transfer on deputation (including short-term contract), officers of the rank of Chief Engineer or Superintending Engineer with 5 years service as such from the Central Government/State Governments, Port Organisations, Corporations, Autonomous Bodies or Public Undertakings are eligible.

3. The observations of COPU were obviously directed against the then chief Engineer-cum-Administrator IWT Directorate who has already reverted to his parent State. The present Chief Engineer-cum-Administrator, has the background of inland water transport. However, when the names of the candidates for selection of a successor were called for from the concerned quarters, it was found at the time of scrutiny that only one officer fulfilled the qualifications laid down for appointment by transfer. It is, therefore, proposed to recast the qualifications for promotion|deputation|transfer to enable the Government, as and when successor to the present incumbent of the post is to be selected, to consider larger number of candidates so that one with necessary experience and dynamism can be selected, preference being provided for those with experience in operation of IWT services, river training dredging and conservancy work."

1.30. The Committee are unable to agree with the contention that a Civil Engineer is more suitable for the post of Civil-Engineer-cum-Administrator of the IWT Directorate. The job is essentially that of a mariner with sufficient knowledge in water transport. The Committee gather that person(s) were sent abroad to get trained in inland water transport system but their services were not utilised, instead several engineers who could be useful for construction of jetties and landing stages were appointed. The river conservation work could better be done by hydraulogists who have education in characteristics of rivers and its behaviour. It is also noted with regret practically no conservation work had been done. These should be borne in mind.

H. Appointment of Transport Economists

Recommendation at Serial No. 25 (Paragraph 1.92)

1.31 The Committee urged the Government to appoint a competent and academically qualified transport economist in the Ministry to evaluate the cost of each mode of transport scientifically.

1.32 In a reply Government stated as under:—

"..... the matter has been considered and the position is that the post of Director Transport Research in Grade I of Indian Economic Service already exists in this Ministry. After Dr. Bhatia, Dr. Narasimhan of the same service

had been appointed and although the present incumbent, Shri Sundarjan, belongs to Indian Statistical Service and not to Indian Economic Service, his appointment was made because no suitable officer from Indian Economic Services was available. Transport Research Directorate is the organisation which should be required to provide economic advice, where necessary including evaluation of the cost of each mode of transport scientifially. It is, therefore, considered that there is no need for creation of an additional post of Transport economist. As and when there is a change in the incumbency the DTR requirements of this Ministry for appointment of an officer from Indian Economic Service to this post will be brought to the notice of Department of Personnel and AR."

1.33. The Committee are unable to accept the Government's contention in regard to engage a Transport Economist. If suitable academically qualified transport economists are not readily available here, efforts should be made to recruit Indians from abroad who have required qualifications.

I. Objectives

Recommendation at Serial No. 26 (Paragraph No. 2.6)

1.34. Dealing with the objectives of Central Inland Water Transport Corporation, the Committee observed that in the course of time the objectives of Corporation got "terribly mixed up" as a result of which the focus of activities changed from the running of river services to stevedoring, lighterage etc. They were of the firm opinion that with the wholesale diversification of activities, the Corporation had miserably failed to achieve the objective of operating inland water transport for which it was set up.

1.35. In reply Government stated diversification was resorted to by the Company as river services continued to incur heavy losses. Diversion of activities was thus not as much the cause as the effect of inability of the company to operate river services on a financially viable basis.

1.36. The Committee are of the opinion that diversification was resorted to in order to side track its main business viz. river services, which should not happen in future.

J. Augmentation of Facilities of the CIWTC

Recommendations at Serial Nos. 27, 29, 33 and 47 (Paragraphs 2.7, 3.56, 3.60 and 3.74)

1.37. The Committee emphasised that the infra-structure and where-withals for operating river services which are basically available with the CIWTC, should be augmented wherever necessary and maintained in prime condition. They further observed that the Corporation made no efforts to maintain the river services profitably. On the contrary they went on declining cargo continuously through direct and indirect measures to bring the whole river service business almost to a close.

1.38. The Committee had also pointed out that there was ample scope for the river transport, which if run properly and with initiative would turn out to be profitable and indispensable mode of transport, for the remote work in north eastern Region.

1.39. In a reply Government stated as under:

> "The recommendation of the Committee that the infrastructure and where-withals for operating river services, which are basically available with the Corporation, should be augmented wherever necessary and maintained in prime condition is unexceptional. Specific proposals for augmentation of the existing facilities will, however, have to be examined on the basis of their technical and financial viability."

1.40. The Government further stated:

> "In addition river service between Calcutta and Dhullian (near Farakka) had been undertaken, Road-cum-River service between Calcutta and Tripura has also been started. The services are not as yet financially viable and it has to be seen whether that will eventually become financial self-supporting."

1.41. The viability of river services could only be achieved after the system is well established. The Government should realise that for the first few years the Government should not expect all the river services to be viable. The Committee have already pointed out that there are number of railways and railway lines which are being run perpetually at a loss because the system is essential to the country. The water transport should be treated in a similar manner.

1.42. The Committee regret to observe that the reasons given by the Government for adverse results of CIWTC were themselves the results of mismanagement of the affairs of the Corporation and not because of any inherent drawback in the system itself. The present management of the CIWTC are making use of some of the vessels which were sold as "scrap" quite usefully and the Committee, during its study tour, visited Jaganathghata in Calcutta and was amused to see that the warehouse was absolutely packed with cargo that the CIWTC were unable to move for want of vessels. For every business there is a gestation period and the Government should have patience atleast for 10 years to see that it become viable. In any case whether it is viable or not at present, it is serving the much neglected North Eastern Region and its essential transport requirement to a great extent.

The Committee are pleased to note the Government's statement that a new Chairman-cum-Managing Director has been appointed with effect from 12th May, 1978, and that he is making efforts to revive and develop the river services.

K. Closure of Certain River Services

Recommendation at Serial No. 31 (Paragraph 3.58)

1.43. Commenting on the Government's decision to close down Calcutta-Cachar, Calcutta-Assam and Calcutta-Bangladesh river services, the Committee observed that "this decision was not based on true and correct facts which could be corroborated from the factual analysis made by the river Services ommittee, Fernandez Committee, National Productivity Council and Shri Malhotra. The Committee apprehend that the decisions to kill the water transport in this region was not due to lack of traffic offerings but because of pressure of road transport lobby. During the tour of the Committee to Tripura it was pointed out by certain responsible officers that a quintal of jute costs Rs. 24/- to be brought to Calcutta by road whilst by river services Karimganj-Calcutta freight would not exceed Rs. 8|- per quintal. Similarly all terms of necessities which are to be taken from Calcutta for consumption in the remote areas are required to pay enormous amount as freight which ultimately spirals down on the consumer causing a big gap in the prices prevalent in that area and in Calcutta, the nearest market. For example for Cachar-Calcutta service there would be huge quanity of cargo available in consignments of tea, jute, mesta, timber, bamboos for paper mill and different other produce items. In fact this river

service even could help the people in Manipur and Barak river regions in marketing their items which are sold for a fraction of their value because of lack of transportation facilities.

1.44. The Government in their reply stated as under:—

"Decision for closure of river services on some of the routes operated by the Corporation had to be taken as they had been incurring losses and it did not appear on the basis of the study made by the then management that there were any prospects of operation of these river services on a financially viable basis in the foreseeable future.

2. After the new CMD took over, services have been restarted on Calcutta-Karimganj and Calcutta-Dhubri routes. The new CMD has also started new services on the Calcutta-Haldia and Calcutta-Dhullia (Near Farakka). Road-cum-River Services between Calcutta and Tripura has also been undertaken. Sufficient cargo is now becoming available for the services.

3. Government are not aware of any road transport lobby which may have attempted to kill the water transport in the north east region. The decision of Government was not based on any pressure from such 'lobby'."

1.45. The Committee note that with the change of overall management the correct picture emerges. What the Government have stated regarding the present availability of cargo confirms the Committee's apprehension about the activities of the road transport lobby earlier. It will be desirable if the Government keeps its ears close to the ground and face the reality.

L. Patna-Gazipur Service

Recommendation at Serial No. 41 (Paragraph 3.68

1.46. The Committee had recommended that:—

"Patna Service which is at present run departmentally should be taken over by Central Inland Water Transport Corporation and run with a fresh outlook in all earnestness."

1.47. Government in their reply stated that:—

"The recommendation has been examined in consultation with the CIWTC. It is not possible for the Corporation to take over the river services near Patna until the lock

gates of the Farakka Barrage are completed. At present construction of some works mainly pertaining to navigation is in progress and is expected to be completed to a large extent by June, 1979. The feasibility of CIWTC taking over this service will be examined after the lock gate is complete."

1.48. What the Committee had in mind was to revive ferry service between Patna and the Ghazipur on the north bank. This should be done without any further delay. Once the lock gates of Farakka are completed, the CIWTC should start service between Allahabad and Patna.

M. River Services as Recommended by the Bhagwati Committee

Recommendation at Serial No. 43 (Paragraph 3.70)

1.49. Referring to the recommendations of the IFT Committee (Bhagwati Committee) the Committee observed that:—

"In the third phase, river services as recommended by the Inland Water Transport Committee (Bhagwati Committee) should commence. For the fourth phase, fresh survey of navigable water should be carried out, with a view to expanding river services wherever possible.

Under no circumstances, Government should refrain from acting on the recommendations made above."

1.50. The Government in their reply stated as follows:—

"Out of the 46 schemes recommended by the IWT Committee (Bhagwati Committee) 1970, 16 schemes pertain to operation of river services. Out of these 16 schemes, 9 have already been sanctioned by the Government of India. Of the remaining 7 schemes, 3 schemes pertain to operation of river services on the Ganga and Ghaghara. River Service on the Ganga between Patna and Ghazipur/Chunar and ferry services on this river between Colgong and Tintanga/Karagola are already being operated. The question of running river services on the Ghaghara will also be considered by the CIWTC after the completion of lock gates at Farakka. State Governments of Uttar Pradesh and Bihar have also been asked to examine the feasibility of operating river services on Ganga and Ghaghara where they are financially viable. The remaining 4 schemes have been recommended by the Working

Group on IWT for the next Plan (1978-83) for inclusion in the State Plans.

In the draft of the next Five Years Plan (1978-83) of the Central Government, provision has been made for hydrographic surveys of important water ways carried out."

1.51. The Committee note with pleasure that money is being made available from Shipping Development Fund Committee for introduction of a truck-cum-passenger ferry service between Dehez and Goga. Similar loans should be granted from the same Shipping Development Fund Committee for any inland water transport project. It will be appreciated if the Central Government take initiative in the matter instead of leaving it to the State Governments who are hard up for the resources. More energetic action should be taken to comply with the recommendation of the Committee regarding expansion of river services.

N. Grant of Subsidy to New River Services

Recommendation at Serial No. 44 (Paragraph 3.71)

1.52. The Committee desired Government to subsidise the operational losses of the river services for a period of not less than 10 years, as was being done in case of operational of uneconomic Railway lines, so as to enable the river services to stand on their own legs and became viable and useful in course of time.

1.53. In reply the Government stated:—

"To start with, the question of grant of subsidy to CIWTC is under consideration. Even at present the losses of CIWTC are virtually being subsidised by Government by grant of ways and means loans as the Corporation is unable to repay either the principal or the interest of such loans."

1.54. The Committee were specific in recommending that the government should subsidise to operational losses of the river services for the period not less than 10 years which should apply to CIWTC as well as some other selected river services and in the case of private entrepreneurs it should be to a limited scale as it was done in the case of cash assistance/export incentive schemes. The Committee would stress that for quick growth of inland water transport it is very much necessary that this subsidy to all those who start and or expand inland water transport services be given from the current year from the Central resources.

CHAPTER II

RECOMMENDATIONS|OBSERVATIONS THAT HAVE BEEN ACCEPTED BY THE GOVERNMENT

Recommendation)Serial No. 1, Paragraph No. 1.67)

The Committee note that Inland Water Transport, which is an ancient, dependable and the cheapest mode of transport, continues to play a vital role in the transportation system and economic development throughout the world. This is because of its several inherent advantages over other modes of transport. It is well recognised all over the world that inland water transport is the cheapest mode of transport. While the initial investment on providing 1 Km. of track of rail is about Rs. 10 lakhs, and of road Rs. 4.5 lakhs, it is only Rs. 2 lakhs in the case of inland water transport and that too on waterways which have less of water during the lean season, Similarly while the maintenance cost per Km. of track per year is Rs. 9,600 for rail Rs. 4,500 for road, it is as little as Rs. 1,000 for inland water transport. Furthermore the basic requirement of traction viz., energy-whether it is fuel, oil, coal or electricity-to move an equivalent tonnage is far less on waterway and a barge has the lowest relative dead weight with a minimum of friction loss. One Horse Power is known to move 150 Kgs. on road, 50 kgs. on rail and 400 kgs. on water. Inland Water Transport is thus the least energy consuming system of transport.

Reply of Government

The general advantages of I.W.T. are recognized. However, whether inland water transport is cheaper than other alternative modes in a particular case will depend on the nature of commodities to be transported, relative distance between point of origin and destination by waterways and other alternative modes, the distance over which the goods have to be carried, the effect of technology used in I..W.T. and competitive modes and other relevant factors. It will not be correct to say that inland water transport is always the cheapest mode of transport although in some parts of the country

and for some specific areas it has, no doubt, competitive advantage over other modes of transport.

The figures quoted in he above recommendation appear to be on the findings of IWT Committee (Bhagwati Committee) 1970. The figures of capital investment and maintenance cost, etc., have since gone up for all the modes with the passage of time and general increase in prices.

[Ministry of Shipping and Transport O.M. No. 28-IWT(38)|78-P&W dated the 20th October, 1978]

Comments of the Committee

Please see paragraph 1.6 of Chapter II of the Report.

Recommendation (Serial No. 2, Paragraph No. 1.86)

What is more striking is that the transportation cost per tonne km. through water transport is nearly one-third of that of other modes of transport. According to the Inland Water Transport Committee (Bhagwati Committee) figures, the relative cost per tonne km. in 1970 in the Eastern region was 4.4 to 11.7 paise by rail, 10 paise by road and 2.5 to 5 paise by inland water transport. The current indications are that in the Western region it is 3 to 5 paise by water as compared to 17 paise by road.

Reply of Government

The above observations of the Committee on Public Undertakings appear to be based on the statistics collected by I.W.T. Committee, 1970 (Bhagwati Committee) and report of the NCAER on Traffic and Economic Survey of Ulhas River-Thana Creek-Bassein Creek Waterways, 1974.

2. The above figures have undergone change with passage of time due to general increase in price.

[Ministry of Shipping and Transport O.M. No. 28-IWT(38)|78-P&W dated the 20th October, 1978]

Recommendation (Serial No. 4, Paragraph No. 1.70)

The Committee are, however, greatly perturbed to note that despite the obvious and great advantages of inland water transport and the fact that the country has been experiencing considerable difficulties in the sphere of transportation, its development has not been allowed. The implementation of the comprehensive river valley plan to which to Prime Minister is reported to have lent his enthusiastic support, will, it is hoped, open up new vistas for the development of inland water transport. The Committee require that the inland water transport system should be put to effective use with utmost speed.

Reply of Government

Under the constitution, it is primarily for the State Govts. to take steps for development of IWT. The Central Government have, however, been taking steps for developing this mode of transport and provisions for this purpose have been made in the second Five-Year Plan onwards for Centrally as well as Centrally Sponsored Schemes. Government agree that steps should be taken to develop inland water transport in all areas where it can provide transportation facilities at a lower cost than the alternative modes. Necessary steps in this regard will have to be taken both by the State and Central Governments. The recommendations of the Committee referred to above have also been brought to the notice of the Ministry of Agriculture and Irrigation (Deptt. of Irrigation) in so far as the river valley plan is concerned.

[Ministry of Shipping and Transport O.M. No. 28-IWT(38)/78-P&W dated the 20th October, 1978]

Recommendation (Serial No. 5, Paragraph No. 1.71)

The Committee are concerned to note that although the formulation of co-ordinated National Transport Policy was emphasised as early as in 1950, no progress has been made in this regard and the matter has been hanging fire for the last 27 years. The Committee strongly recommend that the Government must pronounce the national coordinated and integrated transport policy, defining the role of each mode of transport, within three months of the presentation of this report.

Reply

The Planning Commission has constituted National Transport Policy Committee *vide* its Resolution No. T&G|3(15)|77, dated 26-4-78 (copy enclosed—Annexure). The Committee has been asked to submit an interim reply by October, 1978 and a final report by March, 1979. Further action in the matter will be taken by the Planning Commission on receipt of the Committee's report.

Forwarded to the Lok Sabha Secretariat vide Ministry of Shipping & Transport, Inland Water Transport Directorate O.M. No. 28-IWT(29)/78-P&W dated 17-7-1978.

Further Information furnished by Government

The Planning Commission have intimated that the National Transport Policy Committee set up by them is likely to give an interim reply on (a) new railway lines and (b) short haul air services by end of March, 1979. The final report of Committee is likely to be available by the end of July, 1979. 5 copies of the Interim Report would be supplied as soon as received from the Planning Commission.

Forwarded to the Lok Sabha Sectt. *vide* Ministry of Shipping & Transport, IWT Directorate O.M. No. 28-IWT(38)/78-P&W Vol. III dated 3-2-1979.

Recommendation (Serial No. 6, Paragraph 1.72)

The Committee would further suggest that while formulating this policy, Government may keep in view the feasibility of specifically earmarking for water transport all items of cargo which could be carried by water transport.

Reply

The Planning Commission has been requested to keep this suggestion in view while formulating the National Transportation Policy *vide* reply to recommendation No. 5.

Forwarded to the Lok Sabha Secretariat *vide* Ministry of Shipping & Transport, Inland Water Transport Directorate O.M. No. 28-IWT(29)/78-P&W dated 17-7-1978.

Recommendation (Serial No. 7, Paragraph 1.73)

The Committee are surprised to note that the allocations made in the various Five Year Plans for inland water transport have been

negligible. Even the meagre amounts that were made available, have been deliberatly left unutilised. Due to considerable shortfall in expenditure as compared to allocation, there has been a continuing reduction in Annual Plans both in the amount proposed by the Ministry and the allocation agreed to by the Planning Commission *e.g.*, for 'addition to fleet|purchase of vessels by Central Inland Water Transport Corporation', the amount proposed by the Ministry in 1974-75 was Rs. 130 lakhs and the amount recommended by the Commission Rs. 80 lakhs. By 1978-79 the proposed amount came down to Rs. 30 lakhs and the amount recommended by the Commission to Rs. 1 lakh only.

Reply of Government

The allocations for inland water transport were made by the Planning Commission according to the availability of resources *vis a vis* the needs of the country. The main reason for under utilisation of provisions have been absence of adequate IWT organisation both at the Centre and at the States. In all the States, IWT organisations have now been set up with the exception of Govt. of Jammu & Kashmir. The question of strengthening the organisation at the Centre is under active consideration.

2. A sum of only Rs. 30 lakhs was proposed for addition to fleet in the Annual Plan for 1978-79 because at the time of presentation of these proposals it appeared that there was no prospect of operation of river services by CIWTC on a financially viable basis and in accordance with the decision taken earlier in the meeting held by the Minister on 21-8-76, it had been decided to keep only such number of vessels with the Corporation as were required for running financially viable services. Planning Commission had made a token provision of Rs. 1 lakh on the same consideration. Since the river services being operated by CIWTC have now picked up, the question of increase in this allocation is now under consideration.

[Ministry of Shipping and Transport O.M. No. 28-IWT(38)/78-P&W dated the 20th October, 1978]

Further Information Furnished by Government

Out of 23 schemes referred to in Appendix II and Annexure III of COPU's 7th Report, Transport Secretary picked up at random

6 schemes. Transport Secretary has since examined 4 of these cases and given the following findings:—

Item 3 of Annexure III—	"I have examined this case and am satisfied that the delays were not motivated delays. There are delays in the ordinary course of handling by Finance Ministry and Planning Commission."
Item 13 of Appendix II—	"No motivated delay, usual delays."
Item 6 of Annexure III—	"No motivated delay in this Ministry."
Item 7 of Appendix II—	"While there is no motivated delay the case clearly bring out that the handling of the case in Finance and Planning Commission leaves much to be desired. I wonder if Department of ARs can help...."

The 5th case is still under examination by Transport Secretary. After the result of his examination on this case is available, the 6th scheme will also be submitted to him for examination.

[Ministry of Shipping & Transport/Inland Water Transport Directorate O.M. No. 28-IWT(38)/78-P&W Vol. III dated 3-2-1978].

Comments of the Committee

Please see paragraphs 1.13 to 1.15 of Chapter I of the Report.

Recommendation (Serial No. 8, Paragraph No. 1.74)

The Committee recommend that the reasons for the non-utilisation of provision in full should be gone into in depth and corrective measures taken immediately to ensure that the allocations for inland water transport in Five Year Plans and Annual Plans are fully utilised.

Reply of Government

As already stated in Government reply against Recommendation No. 7 (Para No. 1.73) the main reason for non-utilisation of provision in full have been lack of adequate Inland Water Transport organisations at the Centre and the States. All the States except Jammu & Kashmir have now set up inland water transport organisations.

The question of strengthening the Inland Water Transport organisation at the Centre is also under consideration.

2. A reference is also invited to reply against recommendation No. 12 (Para No. 1.78).

[Ministry of Shipping and Transport O.M. No. 28-IWT(38)/78-P&W dated the 20th October, 1978]

Comments of the Committee

Please see paragraphs 1.13 to 1.15 of Chapter I of the Report.

Recommendation (Serial No. 18, Paragraph No. 1.85)

The Committee have a feeling that the former Director (Transport) in the Planning Commission (Shri Sat Parkash now Economic Adviser, Railway Board) is a votary and sympathiser of road transport and may have some link with the road transport lobby. Government may consider whether it would be desirable to retain such a person in the Railway Board.

Reply of Government

Shri Sat Prakash, formerly Economic Adviser, Ministry of Railways on his selection for an assignment under the Commonwealth Fund for Technical Cooperation was relieved of his duties in the Ministry of Railways (Railway Board) w.e.f. 31-1-1978 (A.N.) and is now working as a Senior Economist (Transport and Communications), Uganda. The post of Economic Adviser has already been filled by appointment of Shri S. N. Gupta, an Officer of the Indian Economic Service. The question of retention of Shri Sat Prakash in the Railway Board does not, therefore, arise. Since Shri Sat Prakash belongs to the Indian Economic Service, his posting, on reversion from the present assignment, will be decided by the Department of Personnel & A.R. which is the cadre controlling authority for this service, who will keep in view the observations of the Committee while deciding about his posting.

[Ministry of Shipping and Transport O.M. No. 28-IWT(38)/78-P&W dated the 20th October, 1978]

Comments of the Committee

Please see paragraphs 1.19 to 1.21 of Chapter I of the Report.

Recommendation (S. No. 20, Paragraph No. 1.87)

The Committe need hardly emphasise the importance of declaring the important waterways as National Waterways as suggested by

the Inland Water Transport Committee (Bhagwati Committee) as far back as 1970. They require the Government to enact the requisite Legislation before the end of this year.

Reply of Government

The question of enactment of a law for declaration of national waterways has been examined in consultation with the Law Ministry. According to the advice of that Ministry, it will be necessary to specify a particular waterway to be declared as national waterway in the Bill itself. The proposal for enactment of a legislation for enactment of a legislation for declaration of Farakka-Haldia waterway as a national waterway is accordingly being processed. The question of declaring other waterways as national waterways by amendments to this Act will be considered subsequently after necessary hydrographic and traffic studies have been conducted and estimates of the likely costs and benefits have been prepared.

[Ministry of Shipping and Transport O.M. No. 28-IWT(38)/78-P&W dated the 20th October, 1978]

Comments of the Committee

Please see paragraph 1.27 of Chapter I of the Report.

Recommendation (Serial No. 21, Paragraph No. 1.88)

The Committee would also suggest that designs and specifications of all future medium and big size canals should be drawn up as to ensure navigability of waterways round the year.

Reply of Government

The above recommendation have been brought to the notice of the State Govts. and Ministry of Agriculture & Irrigation (Deptt. of Irrigation) for implementation.

[Ministry of Shipping and Transport O.M. No. 28-IWT(38)/78-P&W dated the 20th October, 1978]

Recommendation (Serial No. 22, Paragraph No. 1.89)

The Committee further require that all the forty-six schemes recommended by the Inland Water Transport Committee (Bhagwati Committee) after considerable exercise should be taken up in hand for execution as indicated later in this Report.

Reply of Government

The Bhagwati Committee had in all recommended 46 schemes. Out of these, 23 schemes have already been sanctioned. Of the remaining 23 schemes, 9 schemes (3) schemes pertaining to improvement and lining of Buckingham Canal in Andhra Pradesh and Tamil Nadu having been clubbed as one are proposed to be included as new Centrally Sponsored Schemes for the next Five Year Plan (1978—83) of the Central Govt. One scheme pertaining to Dahej-Ghoga ferry does not pertain to inland water transport and is being implemented by the State Govt. of Gujarat. Another scheme pertaining to hydrographic surveys in Gujarat is proposed to be included in a comprehensive scheme under Central Sector in the next Plan. The remaining 12 schemes have been recommended to the Planning Commission for being considered for inclusion in the State Plans.

[Ministry of Shipping and Transport O.M. No. 28-IWT(38)/78-P&W dated the 20th October, 1978]

Comments of the Committee

More energetic action should be taken to expedite implementation.

Recommendation (Serial No. 26, Paragraph No. 2.6)

The Committee note that Central Inland Water Transport Corporation was incorporated with the principal objective of carrying on the river transport business of erstwhile R.S.N. Company. The Committee, however, find that in the course of time the objectives of Corporation got "terribly mixed up" as a result of which the focus of activities changed from the running of river services to stevedoring, lighterage etc. They are of the firm opinion that with the wholesale diversification of activities, the Corporation has miserably failed to achieve the objective of operating inland water transport for which it was set up.

Reply of Government

Diversification was resorted to by the Company as river services continued to incur heavy losses. Diversion of activities was thus not as much the cause as the effect of inability of the company to operate river services on a financially viable basis.

[Ministry of Shipping and Transport O.M. No. 28-IWT(38)/78-P&W dated the 20th October, 1978]

Comments of the Committee

Please see paragraph 1.36 of Chapter I of the Report.

Recommendation (Serial No. 27 Paragraph No. 2.7)

Since the clarity in the overall objective is a pre-requisite for the efficient and effective management of a Company the Committee recommend that the Ministry should take urgent steps to lay down precisely and clearly the objectives and obligations of the Corporation, which should primarily be the operation of inland water transport, so that the Corporation is left in no uncertaintv about its goals and functions. The Committee need hardly emphasise that the infra-structure and where-withals for operating river services which are basically available with the Corporation, should be augmented wherever necessary and maintained in prime condition.

Reply of Government

The objectives of the Corporation are mentioned in its Memorandum of Association. However the Government agree that there is need for clearly spelling out the major objectives of the Corporation. It considers that the primary objective of the Corporation should be to operate river services on a financially viable basis. Rajabagan Dockyard and other facilities of the Corporation should also operate on financially viable basis and support the river services to the maximum extent. Instructions on these lines are being issued to the Corporation.

2. The recommendation of the Committee that the infrastructure and where-withals for operating river services, which are basically available with the Corporation, should be augmented wherever necessary and maintained in prime condition is unexceptional. Specific proposals for augmentation of the existing facilities will, however, have to be examined on the basis of their technical and financial viability.

[Ministry of Shipping and Transport O.M. No. 28-IWT(38)/78-P&W dated the 20th October, 1978]

Comments of the Committee

Please see paragraph 1.41 & 1.42 of Chapter I of the Report.

Recommendation (Serial No. 28 Paragraph No. 3.55)

The Committee note that the river services on Calcutta-Assam-Calcutta, Calcutta-Cachar (for Cachar-Mizoram-Tripura) and Calcutta-Bangladesh-Calcutta routes which were suspended in 1965 due to Indo-Pakistan hostilities were restarted by the Corporation in November, 1972.

Reply of Government

It is a fact that the river services were restarted in November, 1972 after emergence of Bangladesh.

[Ministry of Shipping and Transport O.M. No. 28-IWT(38)/78-P&W dated the 20th October, 1978]

Comments of the Committee

The Committee have noticed that CIWTC authorities were earlier refusing business and as a result the services in the North-Eastern region virtually closed down.

Recommendation (Serial No. 29 Paragraph No. 3.56)

The Committee are constrained to observe that the Corporation made no effort to maintain the river services profitably. On the contrary they went on declining cargo continuously through direct and indirect means to bring the whole river service business almost to a close.

Reply of Government

The river services operated by the Corporation have not been profitable for the following reasons:—

(i) Vessels inherited from RSN Co. are very old. They consume more fuel and are uneconomic to operate.

(ii) Repairs and maintenance costs are extremely heavy necessitating prolonged docking in workshop thereby reducing period of availability for river service operation.

(iii) Manning strength of these vessels is very high, being more than double that what is required for modern tug an barge.

(iv) Lack of cargo offerings due to irregular sailings for the above reasons resulting in gross under utilisation of the capacity.

2. The previous management also did not make serious efforts to secure adequate cargo. The new management of the Corporation has restarted river services on the routes which were earlier closed. Sufficient cargo is becoming now available for the river services.

[Ministry of Shipping and Transport O.M. No. 28-IWT(38)/78-P&W dated the 20th October, 1978]

Comments of the Committee

Please see paragraphs 1.41 & 1.42 of Chapter I of the Report.

Recommendation (Serial No. 30 Paragraph No. 3.57)

The Committee are perturbed to note that in June, 1977 Government decided to close down Calcutta-Cachar, Calcutta-Assam and Calcutta-Bangladesh river services on the ground of lack of offerings and uneconomic operations. The Committee consider this decision of the Government unwise and very short sighted. This should be rectified without any further delay.

Reply of Government

The decision about closure of river services on the Calcutta-Gauhati-Calcutta, Calcutta-Karimganj-Calcutta and Calcutta-Narayanganj-Calcutta routes had to be taken in view of the losses being continuously run by the Corporation on these services and the assessment of the then management that there was no reasonable prospects of their being able to run on financially viable basis. The Calcutta-Narayanganj-Calcutta service was, however, not closed down. The matter has been reviewed and the services on the remaining two routes have since been resumed.

[Ministry of Shipping and Transport O.M. No. 28-IWT(38)/78-P & W dated the 20th October, 1978]

Comments of the Committee

The Government's decision to resume the services on the remaining two routes goes to show that the Committee's findings were correct.

Recommendation (Serial No. 32, Paragraph No. 3.59)

In this connection the Committee note that when a steamer used to go to Gauhati, the lorry charges came down by Rs. 500/-. But

the moment the vessel left Gauhati, the lorry charges shot up by Rs. 500/- for Calcutta.

Reply of Government

The observations of the Committee have been noted.

[Ministry of Shipping and Transport O.M. No. 28-IWT(38)/78-P & W dated the 20th October, 1978]

Comments of the Committee

The Committee expect that the Government will bear it in mind while making future decisions in regard to inland water transport.

Recommendation (Serial No. 33 Paragraph No. 3.60)

From various information that is in the possession of the Committee, the Committee is satisfied that there is ample scope for the River Transport in the regions mentioned above besides other regions, which if run properly and with initiative would turn out to be profitable and indispensable mode of transport, for the remote North-Eastern Region. Not only the service will be viable but it would bring immense economic benefits to areas like Cachar, Tripura and Mizoram which have hardly and direct communication with the nearest market in Calcutta other than the most expensive variety of surface transport that is road transport. Both the road and the rail transport have to go in a very circuitous and uncertain (due to land slides, floods etc.) route to reach Calcutta whilst for the river service it will be a traditional direct route and the transport cost will be only a fraction of what the road transport or even the rail transport would require the consignee to pay.

Reply of Government

The river services which were discontinued have been resumed. In addition river service between Calcutta and Dhullian (near Farakka) had been undertaken, Road-cum-River service between Calcutta and Tripura has also been started. The services are not as yet financially viable and it has to be seen whether they will eventually become financially self-supporting.

[Ministry of Shipping and Transport O.M. No. 28-IWT(38)/78-P & W dated the 20th October, 1978]

Comments of the Committee

Please see paragraphs 1.41 & 1.42 of Chapter I of the Report

Recommendation (Serial No. 34 Paragraph No. 3.61)

The Committee recommended that:—

(i) A special team should be constituted, which should include Naval Architects and Marine engineers, solely to find out ways and means to modify those vessels of Central Inland Water Transport Corporation which require modifications. The required repairs and modifications should be carried out at the Rajabagan Dockyard and, if necessary, at other local ship repair workshops on a 'war footing'. The Central Inland Water Transport Corporation should also acquire vessels from other undertakings|Government Departments including Railways either free or at as reasonable price as possible.

(ii) Selling of vessels should be avoided as far as possible and as many vessels as possible should be made water-worthy through immediate repairs. No expenditure should be incurred which will not be a revenue earning one.

(iii) For repair of the vessels funds should be provided from the Consolidated Fund, Financial Institution and from Nationalised Banks.

(iv) Such of the vessels as could be used without modification should be set to sail immediately, even if the vessels run at low speed.

Reply of Government

The above recommendation has been examined in consultation with CIWTC and the position is as shown below seriatim:—

(i) A Special Cell consisting of Naval Architects and Marine Engineers solely for examining modifications of vessels has been constituted by CIWTC. Attempts are also being made by the Corporation to procure vessels from various sources including Public Undertakings|Government Departments|Railways.

(ii) The recommendations of the Committee will be borne in mind in dealing with such cases in future.

(iii) The Public Sector Undertakings are normally required to raise funds for working capital from nationalised banks. However, the Central Government is already advancing funds to the Corporation for meeting the expenditure on capital repairs to vessels provided the vessel is not beyond economic repairs and funds have not been provided previously for capitals reparis to the same vessel.

(iv) The recommendation is being followed. All serviceable vessels of the Corporation have been set to sail despite their old age and low speed to meet the essential transport requirements in the North eastern region.

[Ministry of Shipping and Transport O.M. No. 28-IWT(38)/78-P & W dated the 20th October, 1978]

Recommendation (Serial No. 35, Paragraph No. 3.67)

The River Services Committee (1972) which was set up to assess traffic prospects on the Calcutta-Assam route *via* Bangladesh had *inter alia* estimated the traffic by river services from Assam and other North eastern States to Calcutta and *vice-versa* at 6 lakh tonnes and India's share of river borne traffic between India and Bangladesh at about 2.5 lakh tonnes which amounted to a total river borne traffic of about 8.5 lakhs tonnes. This Committee had also made various suggestions for rationalising the routes on which the river services can be operated as also for organising integrated river-cum-road services, besides, augmenting the existing fleet of the Central Inland Water Transport Corporation. Subsequently, Shri Fernandes, the then Director-General, Bureau of Public Enterprises had gone into the working of the Central Inland Water Transport Corporation in 1974 and had made various recommendations for bringing about improvement in the operation of river services by the Corporation. Shri Fernandes had *inter-alia* recommended the running of regular shipping service between Calcutta and Gauhati and Calcutta and Narayanganj on pre-announced schedules, even if the service is run without the full cargo. He also *inter-alia* recommended:

(i) the appointment of shipping brokers to organise adequate cargo for definite schedules of sailing;

(ii) reduction in the turn-round time of voyage;

(iii) reintroduction of incentive scheme to reduce voyage time; and

(iv) entering into long term contract with major companies like Coal Mines Authority of India, Tea Trading Corporation, Cement Corporation, Major Tea Plantation and various Department of Assam Government to ensure regular availability of cargo.

Reply of Government

The observations, being factual; have been noted.

[Ministry of Shipping and Transport O.M. No. 28-IWT(38)/78-P & W dated the 20th October, 1978]

Recommendation (Serial No. 36, Paragraph No. 3.63)

Even as late as 1975, the National Productivity Council had gone into the working of river services of the Corporation. The Council also *inter alia* recommended short-term and long term measures for improving the river services by the Central Inland Water Transport Corporation. Among the various recommendations the NPC recommended are:

(i) priority to Calcutta-Cachar service and Calcutta-Assam services;

(ii) arranging with road transport organisation for rendering door-to-door services;

(iii) undertaking river traffic promotional measures through publicity, personal contact, mailing list, advertisements, appointment of cargo, brokers, establishment of commercial intelligence cell etc.

(iv) undertaking night navigation and introducing the incentive scheme;

(v) among the long term measures, the Council recommended approaching the Assam Government and Calcutta Port Trust for seeking exemption from payment of Assam-carriage tax as also port charges; and

(vi) the Council also recommended rationalisation of routes between Assam and Calcutta, Calcutta and Tripura etc.

Reply of Government

The observations, being factual, have been noted.

[Ministry of Shipping and Transport O.M. No. 28-IWT(38)/78-P & W dated the 20th October, 1978]

Recommendation (Serial No. 38, Paragraph No. 3.65)

The Committee are of the firm opinion that the closing down of the river services between Calcutta-Cachar and Calcutta-Assam etc., on the plea of lack of offerings and uneconomic operations is not only against the long term national interest but will also hamper the development of the river services in the country which are the cheapest mode of transport. The Committee have no doubt that if vigorous action had been taken on the various suggestions made in this regard and sincere and determined efforts had been made by the top management of the Corporation, the river services of the Corporation would not have come to this sorry state of affairs. The Committee have already referred to the existence of a strong road transport lobby which appear to have succeeded in inhibiting the development of inland water transport in the country.

Reply of Government

The reasons which led the Government to decide about the closure of river services on some of the routes operated by the Corporation have been mentioned against recommendation No. 31. It is reiterated that the decision of Government was not influenced by the pressure of any road transport lobby.

2. As mentioned in the reply to recommendation No. 31, steps have been taken to reopen the river services which had been closed and to start some new services.

[Ministry of Shipping and Transport O.M. No. 28-IWT(38)/78-P & W dated the 20th October, 1978]

Comments of the Committee

The comments of the Committee in Chapter I on the reply of the Government to the recommendation at Serial No. 31 would hold good in this case also.

Recommendation (Serial No. 39, Paragraph No. 3.66)

The Committee consider that it was utter indifference and the dismal lack of effective measures which were responsible for the closure of the river services by the Corporation. The sailings of the vessels were erratic without any fixed time schedule with the result that the credibility of the Central Inland Water Transport Corporation suffered greatly and shippers were unwilling to entrust their

cargo to the Corporation on account of irregularity and undependability of the service. If the Corporation was serious and determined to restart the river services after a lapse of several years, the least that was expected of the Corporation was to make advance preparations to develop the services and approach the users by maintaining regular contacts and advertising the scheduled arrival and departure of vessels in local newspapers. No honest attempt in this regard seems to have been made by the present management of the Corporation and the Ministry who have had no interest in keeping the river services going. The result was that the river services were running into heavy losses on account of utter mismanagement and rampant corruption which ultimately resulted into present state of affairs.

Reply of Government

River services had to be closed on some of the routes due to various reasons. The main reason was that losses were suffered by the Corporation due to the following factors:—

(i) River services had to be stopped on outbreak of the Indo-Pak hostility in September, 1965 and were removed out in 1972 after emergence of Bangladesh.

(ii) Old vessels inherited from the erstwhile RSN Company were responsible for high operational costs due to frequent extensive and costly repairs and high incidence of breakdowns.

(iii) Cargo offerings were inadequate as in the meanwhile Railways and road transport facilities had developed.

(iv) All round increase in cost of materials, labour and other charges.

(v) Increase in wages of floating staff and shore employees due to implementation of recommendations of various Committees/Commissions and tripartite agreements.

The losses were thus not entirely due to the fault of the management. However, the management at that time also does not appear to have taken adequate and vigorous measures for attracting cargo and improving the financial viability of the river services.

Necessary steps are now being taken to revitalise the existing river services and to open new routes. River services between Cal-

cutta and Gauhati, Karimganj and Bangladesh are being regularly operated and new river services between Calcutta and Haldia and Farakka and road-*cum*-river services between Calcutta and Tripura have also been started. The response from the trade has been encouraging and almost the entire capacity of the vessels of the Corporation in working order is now being fully utilised.

Comments of the Committee

The statement made in the last paragraph goes to prove how very correct the Committee's findings were in every respect.

[Ministry of Shipping and Transport O.M. No. 28-IWT(38)/78-P & W dated the 20th October, 1978]

Recommendation (Serial No. 40, Paragraph No. 3.67)

The Committee consider that Inland Water Transport which is very essential from the economic, social and strategic points of view should not only be revived but expanded as early as possible. They recommend that the river routes which have been closed down should be restarted.

In the first phase, Calcutta-Cachar, Calcutta-Assam and Calcutta Bangladesh services as also service to Sunderbans should be started. Regular scheduled sailings, preferably weekly service, should commence and in all the places effort should be made to have river-*cum*-road coordinated services so as to make the services more attractive.

Reply of Government

Calcutta-Cachar and Calcutta-Assam Services have since been revived. Calcutta-Bangladesh services have been continuing. The question of starting river services to Sunderbans will be examined in all aspects in consultation with the Government of West Bengal. Steps have been taken to introduce river-*cum*-road services in order to make the services more attractive, economical and useful to the public. The first such coordinated river-*cum*-road service to Agartala (Tripura) has been started on 15th August, 1978. Based on this experience, the feasibility of introduction of river-*cum*-road services to other States will also be examined.

[Ministry of Shipping and Transport O.M. No. 28-IWT(38)/78-P & W dated the 20th October, 1978]

Recommendation (Serial No. 42, Paragraph, 3.69)

It is also recommended that a ferry service between Dahej (South Gujarat) and Bhavnagar (Saurashtra) should also be started. This will not only save a distance of 400 km. by road will also save atleast 24 hours' time besides minimising overall transport cost. This was strongly recommended by the Inland Water Transport Committee.

In the second phase, services from Calcutta to Durgapur through D.V.C. canal and Haldia Allahabad should be started.

Reply of Government

The Scheme for introduction of a truck-*cum-passenger* ferry service between Dahej and Gogha (8 Kilometres from Bhavnagar) has been examined by the Government of India. The Government of Gujarat have included the scheme in their State Plan. It is understood that the State Government is finalising a Project for providing the roll-on-roll-off ferry services for carrying 10-12 loaded trucks at a tie. For running the ferry service, a joint sector company registered under the Company's Act is proposed to be set up. Three ferry ships are proposed to be fabricated in a phased programme. The State Government intend to obtain a loan from the Shipping Development Fund Committee, for meeting the cost of these ferry ships.

2. CIWTC had earlier run experimental services from Calcutta to Durgapur through DVC Canal but these services did not prove to be economical. A Committee has been set up by the Government of India to consider the factors standing in the way of navigation in this canal, difficulties experienced by various agencies in their experimental services and suggest measures to open traffic. On receipt of that Committee's report the question of running services through DVC Canal will be considered.

3. The NCAER was asked to conduct Pre-Investment Appraisal of the Development of IWT services on the Ganga between Allahabad and Calcutta. According to the report received from the NCAER, through services between Allahabad and Calcutta will not be profitable but it may be profitable between the following stretches as given below:—

(i) between Farakka and Calcutta

(ii) between Buxar and Shahpur Patore

(iii) between Chunar and Buxar

(iv) between Bhagalpur and Farakka

No through service between Allahabad and Haldia is possible at present because of non-completion of navigation lock at Farakka. At present construction of some works mainly pertaining to navigation is in progress and is expected to be completed to a large extent by June, 1979. CIWTC are already running river services between Calcutta and Haldia and between Calcutta and Dhulian (near Farakka). The question of running services beyond Farakka will be considered after the lock gate is completed.

[Ministry of Shipping and Transport O.M. No. 28-IWT(38)/78-P & W dated the 20th October, 1978]

Recommendation (Serial No. 43, Paragraph No. 3.70)

In the third phase, river services as recommended by the Inland Water Transport Committee (Bhagwati Committee) should commence. For the fourth phase, fresh survey of navigable waters should be carried out, with a view to expanding river services wherever possible.

Under no circumstances, Government should refrain from acting on the recommendations made above.

Reply of Government

Out of the 46 schemes recommended by the IWT Committee (Bhagwati Committee) 1970, 16 schemes partain to operation of river services. Out of these 16 schemes, 9 have already been sanctioned by the Government of India. Of the remaining 7 schemes, 3 schemes pertain to operation of river services on the Ganga and Ghaghara. River service on the Ganga between Patna and Ghazipur|Chunar and ferry services on this river between Colgong and Tintanga|Karagola are already being operated. The question of running river services on the Ghaghara will also be considered by the CIWTC after the completion of lock gates at Farakka. State Governments of Uttar Pradesh and Bihar have also been asked to examine the feasibility of operating river services on Ganga and Ghagara where they are financially viable. The remaining 4 schemes have been recommended by the Working Group on IWT for the next Plan (1978-83) for inclusion in the State Plans.

In the draft of the next Five Year Plan (1978—83) of the Central Government, provision has been made for hydrographic surveys of important waterways being carried out.

[Ministry of Shipping and Transport O.M. No. 28-IWT(38)/78-P & W dated the 20th October, 1978]

Comments of the Committee

Please see paragraph 1.51 of Chapter I of the Report.

Recommendation (Serial No. 44, Paragraph No. 3.71)

The Committee would like Government to subsidise the operational losses of the river services for a period of not less than 10 years, as is being done in case of operational of uneconomic Railway lines, so as to enable the river services to stand on their own legs and become viable and useful in course of time. It has to be recognised that the operation of river services in North-eastern region of the country is important not only from the economic and social points of view and during floods, when other means of transport like rail and road are dislocated, but also from the strategic and defence points of view.

Reply of Government

To start with, the question of grant of subsidy to CIWTC is under consideration. Even at present the losses of CIWTC are virtually being subsidised by Government by grant of ways and means loans as the Corporation is unable to repay either the principal or the interest of such loans.

[Ministry of Shipping and Transport O.M. No. 28-IWT (38)/78-P&W, dated the 20th October, 1978]

Comments of the Committee

Please see paragraph 1.54 of Chapter I of the Report.

Recommendation (Serial No. 45, Paragraph No. 3.72)

The Committee further feel that inland water transport is not only a complementary mode of transport but also is the cheapest as it consumes the least energy. In this mode of transport the chances of pilferage and breakage are also the minimum.

The Committee further consider that shallow depths and shifting channels should not stand in the way of successful operation of river services in the country. Planned execution of river conservancy and stabilisation works based on proper hydrographic sur-

veys and hydraulic research would provide for the assured and improved channels for economic operation of Inland Water Transport. This will draw industries to the water front to enable them to take advantage of the cheapness of water transport. Instances of industries moving to water side locations in the USA and establishment of new plants along waterways are numerous. However, till such time the waterways are improved after proper surveys and conservancy works, inland vessels can be designed/modified to suit present channel dimensions.

Reply of Government

The Recommendations of the Committee have been brought to the notice of the State Governments. The CIWTC, which are the main operators of the IWT Services in public sector have also been apprised of the above Recommendation.

[Ministry of Shipping and Transport O.M. No. 28-IWT (38)/78-P&W, dated the 20th October, 1978]

Recommendation (Serial No. 46, Paragraph No. 3.73)

The Committee have no doubt that with the advancement of modern technology it is very much possible to design suitable crafts for operation in shallow waters. The age-old method of paddle wheel propulsion at the rear of the vessel has proved its efficiency in shollow waters and stood the test of time not only on India waterways but in shallow waters all over the world. For improving efficiency marine diesel engine coupled to paddles at the rear should be used for all self-propelled cargo and passenger vessels as well as pusher tugs, wherever possible.

Reply of Government

The Recommendation of the Committee have been brought to the notice of the State Government. The CIWTC which is the main operators of the IWT Services in public sector have also been apprised of the above Recommendation.

The technical officers of CIWTC have advised as under:—

"It is suggested in the report that stern wheel push tugs will be suitable for the present conditions of the Ganga-Bhagirathi-Hooghly waterways. While agreeing to the fact that vessels with stern wheel propulsion holds an edge in propulsive efficiency in shallow depths but their astern

manoeuvribility and tendency of squatting while plying against strong current in shallow stretches make them less versatile in operation. Stern wheels capacity for quick manoeuvribility with long train of push tows in tortuous bends, riding bore tides and navigation in tidal stretches leaves much for rethinking for its extensive use in Hooghly system, where all these imped ments are existing.

We feel tugs should be versatile *i.e.*, both for push towing and side towing and fitted with multiple screw with Tunnel Form & Flanking Rudders. Such tug should not exceed 5' in draft and should be constructed for operation in partially smooth waters also. For a payload of around 1,000 MT a tug of 750 B.H.P. should be good enough to stem a current of 5.6 knots and cruise against it at around 5 knots."

The present Chairman-*cum*-Managing Director (Shri H. C. Malhotra) has stated as under:—

"Both the types have their advantages and disadvantages. While suggesting (in his paper entitled 'Prospects of the Inland Water Transport in the Ganga-Bhagirathi-Hooghly' presented at the seminar held in November, 1977 in Calcutta under the auspices of the Dufferin Rajindra Old Cadets Association) the stern wheelers, I had only considered their operation in the smooth waters above Calcutta where the impact of bore tides and tidal inflow would gradually reduce as we proceed up river. I agree push towing in the Hooghly either in rough waters or at the time of making of bore tide is to be ruled out."

[Ministry of Shipping and Transport O.M. No. 28-IWT (38)/78-P&W, dated the 20th October, 1978]

Recommendation (Serial No. 47, Paragraph No. 3.74)

Infusion of new blood in the Corporation is very necessary and the Chief Executive of the Corporation must essentially be a young man who has first hand experience in planning and management of inland water transport. The Committee have no doubt that with imaginative and honest management and undertaking of various promotional measures as also implementing the constructive suggestions of the various study teams, the river services will be able to attract a large volume of traffic and would definitely prove ultimately cheaper in this region.

Reply of Government

A new Chairman-*cum*-Managing Director has been appointed with effect from 12-5-1978. He is making efforts to revive and develop the river services.

[Ministry of Shipping and Transport O.M. No. 28-IWT (38)/78-P&W dated the 20th October, 1978]

Comments of the Committee

Please see paragraphs 1.41 and 1.42 of Chapter I of the Report.

Recommendation (Serial No. 48, Paragraph No. 3.75)

The Committee would require the Government to make it mandatory for all Central Government Departments and Undertakings to provide cargo as much as possible to Inland Water Transport and Central Inland Water Transport Corporation. The State Governments should also be requested to patronise Inland Water Transport.

Reply of Government

The above Recommendations of the Committee have been brought to the notice of the State Governments and the Departments of the Central Government. The State Governments of West Bengal, Assam, Bihar and Uttar Pradesh and the various Departments of Central Government have been requested to utilise the river services being operated by C.I.W.T.C. and the IWT Directorate of the Government of India to the maximum extent possible, keeping in view the freight rates and other facilities offered by C.I.W.T.C. and IWT Directorate *vis-a-vis* those of the alternative modes.

[Ministry of Shipping and Transport O.M. No. 28-IWT (38)/78-P&W dated the 20th October, 1978]

CHAPTER III

RECOMMENDATIONS/OBSERVATIONS WHICH THE COMMITTEE DO NOT DESIRE TO PURSUE IN VIEW OF GOVERNMENT'S REPLIES

Recommendation (Serial No. 37, Paragraph No. 3.64)

The Committee regret to observe that in spite of the laborious efforts made by the various study teams and the numerous useful suggestions no action appears to have been taken by the Ministry/ Corporation to revive and develop river services. On the other hand the Ministry of Shipping and Transport were in search of some pretext to close down River services, obviously under the pressure of Road Transport Lobby. Despite the favourable recommendations of the Fernandes Committee and National Productivity Council for augmenting river services, Government had the matter further examined by Shri Bazle Karim, Adviser (Production) Bureau of Public Enterprises. He obligingly, it seems, recommended the winding up of the river services in a phased manner for which the Committee see no valid reason.

The Committee feel that the decision taken in June, 1977 after Shri Bazle Karim's inspired report to close down river services was motivated and is most regrettable.

Reply of Government

The river services which were discontinued have been resumed.

The reasons which led the Government to take decision about closure of river services have been mentioned in reply to recommendation No. 31. It is reiterated that the decision was not taken under pressure of any road transport lobby and was not motivated nor was Shri Bazle Karim's report 'inspired'.

[Ministry of Shipping and Transport O.M. No. 28-IWT (38)/78-P&W dated the 20th October, 1978]

Comments of the Committee

The comments of the Committee in Chapter I on the reply of the Government to the recommendation at Serial No. 31 would hold good in this case also. As regards paragraph 2 of the Government reply reproduced above, the Committee would not like to rub the matter any further.

CHAPTER IV

RECOMMENDATIONS/OBSERVATIONS IN RESPECT OF WHICH THE REPLIES OF GOVERNMENT HAVE NOT BEEN ACCEPTED BY THE COMMITTEE

Recommendation (Serial No. 3, Paragraph No. 1.69)

The committee feel that the most crucial problem that the country is facing today is the price rise in which transport cost of commodities is an important factor to be reckoned with. Inland water transport which is the cheapest mode of transport can greatly help in reducing and stabilising the prices of commodities. Further, inland water transport provides employment to a large number of people, helps in promoting tourism, reducing congestion in big cities and protecting environment from pollution etc., besides having the advantage of no pilferage or breakage due to lack of vibration during transit. Above all, an efficiently operated inland water transport system, specially in the Eastern and North-Eastern Regions is indispensable from the defence point of view according to the highest echelon of defence authorities. Conservation of waterways, apart from facilitating the smooth running of inland water transport serves as flood-control measures and also help in the development of irrigation and pisciculture.

Reply of Government

In so far as development of IWT from the Defence angle is concerned, the Ministry of Defence has intimated as under:—

> "We are of the view that there is no specific requirement for enhanced development of Inland Water Transport System in North Eastern State purely from defence point of view IWT system is not cost effective when compared to rail transportation. In fact it is very much costlier than transportation by rail, besides being more time consuming. However, we do support the proposal for development of IWT resources in North Eastern region as a part of general development of the area; such development would have spin-off benefits from defence point of view also."

2. So far as the other advantages of IWT are concerned, a reference is invited to reply against Recommendation No. 1.

[Ministry of Shipping and Transport O.M. No. 28-IWT (38)/78-P&W dated the 20th October, 1978]

Comments of the Committee

Please see paragraphs 1.9 and 1.10 of Chapter I of the Report.

Recommendation (Serial No. 15, Paragraph No. 1.81)

The Committee have no hesitation whatsoever after going through the evidence in accepting the fact that there is powerful and organised road transport lobby in Government, industry and also in media which has been attempting all these years to scuttle down efforts to develop inland water transport. This private road transport lobby seems to have been responsible for the closure of Government-owned Central Road Transport Corporation and was also not allowing the Central Inland Water Transport Corporation to come up.

Reply of Government

The Parliamentary Committee on Public Undertakings in Recommendation No. 25 in their 62nd Report observed that there was no justification for continuing the Central Road Transport Corporation Limited. As the company was incurring losses, continuously, the Committee recommended that it should be wound up as early as possible.

The following table shows the overall financial results of the Company from 1964-65 to 1975-76 :—

Year	Profit (+)/Loss (—) (Rs. in lakhs)
1964-65	+1·44
1965-66	+0·68
1966-67	—16·32
1967-68	—16·69
1968-69	—24·80
1969-70	—21·36
1970-71	—22·90
1971-72	—29·36
1972-73	—38·14
1973-74	—30·60
1974-75	—26·26
1975-76	—38·16

In their 31st Report on Public Undertakings on the action taken by Government on the 62nd Report the Committee reiterated their earlier recommendation that the Company should be wound up as early as possible.

3. In their 72nd Report on the action taken by Government on the recommendations in the 40th Report of the Committee on the Role and Achievements of Public Undertakings, the Committee again drew attention to Recommendation No. 25 in their 82nd Report and stressed that final decision in the matter may be taken at an early date and reported to Parliament.

4. In view of the human problem involved in the closure of the Central Road Transport Corporation and consequent retrenchment of its employees, various alternatives were considered by Government whereunder the Company could be continued as viable organisation. This took some time but no satisfactory arrangement could be worked out to keep the Company going as a viable concern. The Government of India accordingly decided to accept the recommendations of the Committee on Public Undertakings in its 62nd Report and implement it.

5. The Central Road Transport Corporation gave notices to the State Governments concerned, as required under the relevant laws; of its intention to close down its business from 1-2-77 and stopped its business from this date.

6. It will be observed from above that Government took the decision for the closure of the Central Road Transport Corporation on the recommendations of the Committee on Public Undertakings and it was not influenced by the so called private road transport lobby in this regard.

7. Government are not aware of any organised Road Transport Lobby that might have attempted to thwart the growth of IWT and its decisions are not influenced by such a lobby.

[Ministry of Shipping and Transport O.M. No. 28-IWT (38)/78-P&W dated the 20th October, 1978]

Comments of the Committee

Please see paragraph 1.19 to 1.21 of Chapter I of the Report.

Recommendation (Serial No. 16, Paragraph Nos. 1.82 and 1.83)

The Committee cannot help feeling that the existence and influence of such a lobby in the Planning Commission, the Ministry of

Shipping and Transport, its Inland Water Transport Directorate and other Governmental agencies is the main reason for lack of positive attitude and policy towards the growth of inland water transport in the country. This is why most of the schemes of inland water have been kept in cold storage or rejected on one pretext or the other, as has been stated earlier.

The Committee require the Government to ensure that these elements are not able to operate in a clandestine manner in the corridors of power in order to thwart the growth of inland water transport.

Reply of Government

As recommended by the Committee in Para 1.78, the question of instituting a fact finding probe to find out as to why and how water transport was relegated to a back stage is under consideration.

2. Government are not aware of any organised Road Transport Lobby that might have attempted to thwart the growth of I.W.T., and its decisions are not influenced by such a lobby. The reasons for delay are, however, being looked into as explained in the Reply to Government to Recommendation No. 12 (Para 1.78)

[Ministry of Shipping and Transport O.M. No. 28-IWT (38)/78-P&W dated the 20th October, 1978]

Comments of the Committee

Please see paragraphs 1.19 to 1.21 of Chapter I of the Report.

Recommendation (Serial No. 19, Paragraph 1.86)

The Committee are greatly surprised to find that in spite of specific recommendations of a National Committee, the Inland Vessels Development Fund has not been instituted even after a lapse of about eight years. This goes to show that the unseen hands of the Road Transport Lobby have successfully thwarted and obstructed the adoption of this financial measure, which could have gone a long way to help the growth of inland water transport. The Com-

mittee require the Government to take all possible initiative to bring into existence an Inland Vessels Development Fund with adequate finances in order to help entrepreneurs in the Inland Water Transport field both in the public and private sectors, so that they may obtain liberal credit on 'Differential Rates of Interest'.

Meanwhile these entrepreneurs should be allowed to make use of the Shipping Development Fund for meeting their requirements of finance. The Government should ensure this without fail.

Reply of Government

The recommendation of the Bhagavati Committee for setting up of an Inland Vessels Development Fund was considered but could not be implemented due to constraint of resources. The matter has been reviewed and the proposal for advancing loans to entrepreneurs through banks and other institutions at subsidised rates is now being processed.

2. So far as grant of loans from Shipping Development Fund is concerned, Sub-section (1) of section 16 of the Merchant Shipping Act, 1958 provides that the Shipping Development Fund shall be applied towards meeting the expenses of the Shipping Development Fund Committee and for granting loans and financial assistance in any other form :—

(a) to persons of the description mentioned in Section 21—

(i) for the acquisition and maintenance of ships, including modification, reconstruction and renovation thereof;

(ii) for meeting any short-term financial requirements;

(b) to Indian Shipyards for the construction of new ships.

The inland water vessels are governed by the Inland Vessels Act, 1917 and, therefore, vessels solely deployed for inland water navigation do not come within the purview of the definition of "ships" under the Merchant Shipping Act and are not registered under the Act. Therefore, the financial assistance or loan from the Shipping

Fund would not be possible for meeting the requirements of entrepreneurs in the inland water transport field.

[Ministry of Shipping and Transport O.M. No. 28-IWT(38)/78-P&W dated the 20th October, 1978]

Comments of the Committee

Please see paragraph 1.24 of Chapter I of the Report.

Recommendation (Serial No. 24, Paragraph No. 1.91)

The Committee note that the Inland Water Transport Directorate in the Ministry of Shipping and Transport is headed by the Chief Engineer-*cum*-Administrator, who is a Civil Engineer and who has no practical experience of inland water transport. This may be one of the reasons why no progress in the development of Inland Water Transport in the country could be made. The Committee, therefore, recommend that urgent steps should be taken to place a knowledgeable person having on inland water transport backgrounds and necessary expertise and dynamism at the head of the Directorate, so that quick and clear decisions can be taken and the Directorate can find a new impetus to effective and efficient functioning of inland transport organisation. In view of all the unfortunate facts that have come to the notice of the Committee, it would be very much necessary that the Chief of the Directorate of the Inland Water Transport should be directly under the Secretary of Ministry of Shipping and Transport.

Reply of Government

A copy of the Government Resolution No. 7-IWT(65)/64-C&E dated 23rd February, 1965 which contains a list of functions allotted to the I.W.T. Directorate is appended.

(Appendix).

. It would be observed therefrom that most of the functions allotted to the Directorate involve Civil Engineering aspect and as such a Civil Engineer is considered to be more suitable for the post of Chief Engineer-*cum*-Administrator, I.W.T. Directorate. Under the Recruitment Rules for the post a suitable person having Civil Engineeing degree with 15 years experience in a supervisory capacity as essential qualification for the post and experience in dredging, river training and conservancy work as desirable qualification

has to be appointed to the post. In the case of transfer on deputation (including short-term contract), officers of the rank of Chief Engineer or Superintending Engineer with 5 years service as such from the Central Government/State Governments, Port Organisations, Corporations Autonomous Bodies or Public Undertakings are eligible.

3. The observations of COPU were obviously directed against the then Chief Engineer-cum-Administrator IWT Directorate who has already reverted to his parent State. The present Chief Engineer-*cum*-Administrator, has the background of inland water transport. However, when the names of the candidates for selection of a successor were called for from the concerned quarters, it was found at the time of scrutiny that only one officer fulfilled the qualifications laid down for appointment by transfer. It is, therefore, proposed to recast the qualifications for promotion/deputation/transfer to enable the Government, as and when successor to the present incumbent of the post is to be selected, to consider larger number of candidates so that one with necessary experience and dynamism can be selected, preference being provided for those with experience in operation of IWT services, river training, dredging and conservancy work.

4. As regards the recommendations of COPU that the Chief Engineer-*cum*-Administrator should be directly under the Secretary, Ministry of Shipping & Transport, it may be stated that all officers in the Ministry work under the Secretary and it is only because one officer cannot handle all the work that the posts of Joint Secretaries and Additional Secretaries are created. It is, therefore, not feasible to accept this recommendation as it will burden the Secretary with a large volume of routine work, thereby impairing his effectiveness in performing his policy, planning, implementation, and monitoring functions for the whole Ministry.

[Ministry of Shipping and Transport O.M. No. 28-IWT(38)/78-P&W dated the 20th October, 1978]

Comments of the Committee

Please see paragraph 1.30 of Chapter I of the Report.

Recommendation (Serial No. 25, Paragraph No. 1.92)

The Committee would also like Government to appoint a competent and academically qualified transport economist in the Ministry to evaluate the cost of each mode of transport scientifically.

Reply of Government

As already intimated in this Ministry's O.M. No. 28-IWT(5)/78-P&W dated the 14-3-1978 addressed to the Lok Sabha Sectt., the matter has been considered and the position is that the post of Director Transport Research in Grade I of Indian Economic Service already exists in this Ministry. After Dr. Bhatia, Dr. Narasimham of the same service had been appointed and although the present incumbent, Shri Sundarajan, belongs to Indian Statistical Service and not to Indian Economic Service, his appointment was made because no suitable officer from Indian Economic Services was available. Transport Research Directorate is the organisation which should be required to provide economic advice, where necessary including evaluation of the cost of each mode of transport scientifically. It is, therefore, considered that there is no need for creation of an additional post of Transport economist. As and when there is a change in the incumbency the DTR requirements of this Ministry for appointment of an officer from Indian Economic Service to this post will brought to the notice of Department of Personnel and AR.

[Ministry of Shipping and Transport O.M. No. 28-IWT(38)/78-P&W dated the 20th October, 1978]

Comments of the Committee

Please see paragraph 1.33 of Chapter I of the Report.

Recommendation (Serial No. 31, Paragraph No. 3.58)

This decision was not based on true and correct facts which could be corroborated from the factual analysis made by the river Services Committee, Fernandez Committee, National Productivity Council and Shri Malhotra. The Committee apprehend that the decisions to kill the water transport in this region was not due to lack of traffic offerings but because of pressure of road transport lobby. During the tour of the Committee to Tripura it was pointed out by certain responsible officers that a quintal of jute costs Rs. 24/- to be brought to Calcutta by road whilst by river service Karimganj-Calcutta freight would not exceed Rs. 8/- per quintal. Similarly all items of necessities which are to be taken from Calcutta for consumption in the remote areas are required to pay enormous amount as freight which ultimately spirals down on the consumer causing a big gap in the prices prevalent in that area and in Calcutta, the nearest market. For example for Cacher-Calcutta service there would be huge

quantity of cargo available in consignments of tea, jute, mesta, timber, bamboos for paper mill and different other produce items. In fact this river service even could help the people in Manipur and Barak river regions in marketing their items which are sold for a fraction of their value because of lack of transportation facilities.

Reply of Government

Decision for closure of river services on some of the routes operated by the Corporation had to be taken as they had been incurring losses for the reasons mentioned in the reply to recommendation No. 29 and it did not appear on the basis of the study made by the then management that there were any prospects of operation of these river services on a financially viable basis in foreseeable future.

2. After the new CMD took over, services have been restarted on Calcutta-Karimganj and Calcutta-Dhubri routes. The new CMD has also started new services on the Calcutta-Haldia and Culcutta-Dhullia (near Farakka). Road-cum-River Services between Calcutta and Tripura has also been undertaken. Sufficient cargo is now becoming available for the services.

3. Government are not aware of any road transport lobby which may have attempted to kill the water transport in the north east region. The decision of Government was not based on any pressure from such 'lobby'.

[Ministry of Shipping and Transport O.M. No. 28-IWT (38)/78-P&W dated the 20th October, 1978]

Comments of the Committee

Please see paragraph 1.45 of Chapter I of the Report.

CHAPTER V

RECOMMENDATIONS/OBSERVATIONS IN RESPECT OF WHICH FINAL REPLIES OF GOVERNMENT ARE STILL AWAITED

Recommendation (Serial No. 9, Paragraph No. 1.75)

The Committee note with deep anguish that out of 16 Centrally Sponsored schemes examined by the Planning Commission during the years 1974—77, seven schemes were approved and in respect of 9 schemes the Commission made back references, and asked for additional information which was still awaited from the Ministry and which in one case is pending since August, 1974. In the case of another scheme, the Commission examined and re-examined the scheme four time and still asked for further information. This shows how the tentacle of the anti-hand water transport lobby was having its way.

Reply of Government

The matter is being examined as indicated in the reply to Para 1.78 (Recommendation No. 12).

[Ministry of Shipping and Transport O.M. No. 28-IWT (38)/78-P&W dated the 20th October, 1978]

Comments of the Committee

Please see paragraphs 1.13 to 1.15 of Chapter I of the Report.

Recommendation (Serial No. 10, Paragraph No. 1.76)

Similarly, out of 7 Central schemes examined by the Commission during the 3 years, 1974—77, two schemes were approved, one scheme was deferred to the Sixth Plan and in respect of four schemes, the Commission sought further clarification from the Ministry of Shipping and Transport, which was still awaited from the Ministry and in one of those cases it is pending since 25-9-75.

Reply of Government

The matter is being examined as explained in reply to Recommendation No. 12 (Para 1.78).

[Ministry of Shipping and Transport O.M. No. 28-IWT (38)/78-P&W dated the 20th October, 1978]

Comments of the Committee

The matter should be expedited.

Please also see paragraphs 1.3 to 1.15 of Chapter I of the Report.

Recomendation (Serial No. 11, Paragraph No. 1.77)

The Committee are constrained to observe that time and again the schemes are examined and re-examined and are shuttled to and fro between the Planning Commission, the Ministry and the State Governments just to kill the time with the object to scuttling the schemes. This clearly shows how the authorities were obstructing the growth of inland water transport.

Reply of Government

The matter is being examined as explained in reply against recommendation No. 12 (para 1.78).

[Ministry of Shipping & Transport O.M. No. 28-IWT(38)-P&W dated 20-10-78].

Comments of the Committee

The matter should be expedited.
Please also see paragraphs 1.13 to 1.I5 of Chapter I of the Report.

Recommendation (Serial No. 12, Paragraph No. 1.78)

The Committee are clear in their mind that it is nothing but a calculated sabotage of schemes of economic importance and therefore, they would require the Government to institute a fact-finding probe to find out the role that each officer in the Ministry of Shipping and Trasnport including its Inland Water Transport Directorate and in the Planning Commission played to relegate the water transport to the back stage, so as to fix the responsibility for the lapse and to bring the erring officers to book.

Reply of Government

The Department of Personnel and Administrative Reforms were requested to lend the services of a suitable officer to conduct this probe. That Department intimated that their officers did not have the requisite practical experience to conduct such a fact find probe as recommended by the Committee in para 1.78. Thereafter, the Cabinet Secretary was addressed to advise as to the officer who may be appointed to conduct the probe recommended by the Committee.

The Cabinet Secretary has advised that the present Secretary, Ministry of Shipping and Transport could go into a few of the schemes in order to arrive at a judgment whether the delays were motivated or took place in the ordinary course of bureaucratic handling. The matter is, therefore, being looked into by the Transport Secretary who has selected a few schemes at random to examine whether the delays in their finalisation were motivated or took place in the ordinary course.

[Ministry of Shipping & Transport O.M. No. 28-IWT(38)|78-P&W dated 20-10-78].

Comments of the Committee

Please see paragraphs 1.13 to 1.I5 of Chapter I of the Report.

Recommendation (Serial No. 13, Paragraph No. 1.79)

The Committee are perturbed to note that for years files have moved to and fro and still complete information has not been furnished by one Central Government agency to another. Nobody seems to have cared whether the information asked for is received in time or not.

Reply of Government

The reasons for delay are being examined as explained in the Reply of Government to Recommendation No. 12 (Para No. 1.78).

[Ministry of Shipping & Transport O.M. No. 28-IWT(38)/78-P&W dated 20-10-78].

Comments of the Committee

The matter should be expedited.
Please see paragraphs 1.13 to 1.15 of Chapter I of the Report.

Recommendation (Serial No. 14, Paragraph No. 1.80)

In the meantime, the most expensive form of surface transport, namely, road transport has grown disproportionately and in an unplanned manner which has contributed greatly to the price rise which is one of the biggest problems that the Government is facing today. The Committee have no reason to think that all these were not deliberately done.

Reply of Government

The position has been explained in the Reply of Government to Recommendation No. 12 (Para No. 1.78).

[Ministry of Shipping & Transport O.M. No. 28-IWT(38)/78-P&W dated 20-10-78].

Comments of the Committee

The matter should be expedited.
Please also see paragraphs 1.13 to 1.15 of Chapter I of the Report.

Recommendation (Serial No. 17, Paragraph No. 1.84)

Furthermore the Committee would recommend that a C.B.I. inquiry be instituted immediately to unearth this road transport lobby and its *modus operandi* including the role of officers in the various Government Organisations, so that the strangle hold of the lobby could be shaken off and the corrupt officers thoroughly exposed and brought to book.

Reply of Government

In the absence of specific details about the malpractices on the part of the "Road Transport Lobby" and various officers, it is not possible to institute any CBI enquiry. As explained in the Reply of Government to Recommendation No. 12 (Para No. 1.78), it is being examined whether the delays in finalisation of schemes were motivated or took place in the ordinary course. If the results of this probe indicate any specific malpractices which require to be further investigated by CBI, the desirability of instituting a CBI enquiry into those malpractices will be considered at that stage.

[Ministry of Shipping & Transport O.M. No. 28-IWT(38)|78-P&W dated 20-10-78].

Comments of the Committee

Please see paragraphs 1.19 to 1.21 of Chapter I of the Report.

Recommendation (Serial No. 23, Paragraph No. 1.90)

The Committee also feel that the State Governments have neither the resources nor the expertise to undertaken development of inland water transport. The development of inland water transport should, therefore, be the responsibility of the Central Government.

Reply of Government

The overall approach as enunciated in the Draft Five-Year Plan 1978—83, will be to move in this area selectively, taking up only specific schemes of inter-State and National importance for development under the Centrally Sponsored programme. The other schemes whose economic viability is evaluated by the State Governments will be included in the Plans of the States. A provision of Rs. 10 lakhs has been provided in the Draft Sixth Plan 1978—83 for strengthening the IWT Directorate of the Ministry of Shipping and Transport so that they could guide the State Government in all matters of development of IWT. The question of continuance or otherwise of Centrally Sponsored Schemes under IWT will have to be re-examined after the National Development Council takes a decision on the report of the Sub-Committee constituted by it to go into the question of devolution of financial resources and continuance of Centrally Sponsored Schemes, etc.

[Ministry of Shipping and Transport O.M. No. 28-IWT(38)|78-P&W dated the 20th October, 1978].

Comments of the Committee

Bureaucratic delay should be avoided and sufficient funds should be allocated by the Central Government for 1978—83 Plan starting an expansion of Water transport all over the country.

Recommendation (Serial No. 41, Paragraph No. 3.68)

Patna Service which is at present run departmentally should be taken over by Central Inland Water Transport Corporation and run with a fresh outlook in all earnestness.

Reply of Government

The recommendation has been examined in consultation with the CIWTC. It is not possible for the Corporation to take over the river services near Patna until the lock gates of the Farakka Barrage are completed. At present construction of some works mainly pertaining to navigation is in progress made is expected to be completed to a large extent by June, 1979. The feasibility of CIWTC taking over this service will be examined after the lock gate is complete.

[Ministry of Shipping & Transport O.M. No. 28-IWT(38)|78-P&W dated 20-10-78]

Comments of the Committee

Please see paragraph 1.48 of Chapter I of the Report.

NEW DELHI;
March 21, 1979
Chaitra 30, 1900 (*S*).

JYOTIRMOY BOSU,
Chairman,
Committee on Public Undertakings.

APPENDIX I

(REPLY TO RECOMMENDATION 6)

No. T & C|3(D)|77

Government of India

PLANNING COMMISSION

New Delhi, the 26th April, 1978

RESOLUTION

In view of the socio-economic changes that have taken place in the country during the last decade and the new priorities and objectives set out in Draft 1978--83 Plan, the Planning Commission have decided to set up a high-level Committee to formulate a national transport policy tailored to meeting the new Plan priorities. The policy as approved by Government will serve as the basis for developing a transportation system for meeting the transport requirements of the community; as also of agriculture, industry and trade at the minimum social cost. The Committee will be termed the National Transport Policy Committee. Its composition and terms of reference are as set out below:

COMPOSITION

CHAIRMAN

1. Shri B. D. Pande

Members

2. Air Chief Marshal Shri P. C. Lal
3. Shri G. P. Warrier
4. Dr. F. P. Antha
5. Dr. M. O. Dalvi.

Members-Secretary

6. Adviser (Transport) Planning Commission.

The Committee may co-opt upto a maximum of three experts in any connected field of transport.

Terms of Reference:

1. To propose a comprehensive national transport policy for the country for the next decade or so keeping in view the objectives and priorities set out in the Five Year Plan. In formulating such a policy, the Committee will:

(a) recommend an optional inter-modal mix of different systems and also suggest appropriate technical choices within each system keeping in view the need to generate maximum employment potential; and

(b) suggest organisational, administrative, fiscal and legal measures required for planning, implementing, monitoring and evaluating programmes formulated for giving effect to relevant components of the national transport policy by the Central and State Governments and major transport agencies at both the National, State and local levels.

2. To identify the areas in which the data base of the transport system should be strengthened in order to be able to formulate integrated transport plans and to suggest procedures and methodologies for formulating and appraising such plans at the Central, State, District and Block levels.

3. To recommend areas in which research and development in the transport field should be undertaken and the institutional frame work for carrying it out.

4. To suggest measures of improving training facilities in transport planning and management.

5. To recommend any other measures which the Committee consider relevant in relation to the items 1 to 4 above.

6. The Committee may get studies on various aspects and subsectors of the transport system carried out by expert bodies.

The Headquarters of the Committee will be at New Delhi. The Committee may visit such places as may be considered necessary for its work.

The Committee will submit an interim report by October, 1978 and a final report by March, 1979.

ORDER

Ordered that a copy of the Resolution may be communicated to all concerned and that it may be published in the Gazette of India for general information. ..

K. K. SRIVASTAVA,
Joint Secretary to the Government of India.

APPENDIX II

(Reply to Recommendation No. 24)

TO BE PUBLISHED IN PART I SECTION I OF THE GAZETTE OF INDIA

GOVERNMENT OF INDIA

MINISTRY OF TRANSPORT (TRANSPORT WING)

No. 7-IWT(65)/64 *New Delhi, February 23, 1965*

RESOLUTION

INLAND WATER TRANSPORT DIRECTORATE

The question of setting up a technical organisation to deal with the various aspects of development of Inland Water Transport in an efficient and co-ordinated manner has been under consideration for some time past. A Technical Directorate of Inland Water Transport has accordingly been set up in the Ministry of Transport. The immediate task of the Directorate will be to study the existing waterways in the country and draw up a list of waterways where navigational facilities are either to be provided or improved and prepare specific schemes for the purpose in consultation with the State Governments.

2. The functions of the Inland Water Transport Directorate will be as follows:—

(a) to study the transport requirement of the country with a view to coordinate inland water transport with other modes for—

(i) immediate requirements; and

(ii) long term planning;

(b) to study the existing waterways in the country and formulate schemes for their improvement;

(c) to prepare technical reports on design of waterways and connected structures;

(d) to formulate proposals for extension of navigability of inland waterways for immediate and short term imple-

mentation having regard to availability of water under Irrigation Power Multi-purpose Projects (in consultation with the Central Water and Power Commission)—including any special project to be undertaken purely for navigation;

(e) to investigate and prepare project reports design and estimates after carrying out necessary structural and hydraulic model test for the above in consultation with and in coordination with the State Chief Engineers concerned and the Central Water & Power Commission;

(f) to study modern development in all aspects such as improved design of craft navigational aids terminal facilities and conservancy; necessary research would be carried out;

(g) to draw up standards for classification of waterways, size of locks and clearance under bridges, etc.;

(h) to set up suitable training establishments for training;

(i) diesel mechanics;

(ii) deck and engine room personnel; and

(iii) conservancy and technical staff;

(i) to render technical advice to the Central and State Governments on Inland Water Transport matters.

3. The Inland Water Transport Directorate will be headed by a Chief Engineer (Director) who will in technical matters associate and consult the Development Adviser, Chief Engineer Roads Development (Roads Wing) and the Central Water and Power Commission wherever necessary. The Directorate will ensure proper coordination with the Central Water and Power Commission and the Army and Naval Headquarters particularly on the following aspects of development concerning Inland Water Transport:—

(i) planning, coordination and training of personnel;

(ii) traffic;

(iii) civil engineering.

(iv) navigation, conservancy and dredging;

(v) naval architecture and marine engineering;

(vi) investigations and surveys;

(vii) project reports; and

(viii) design and research.

ORDER

Ordered that a copy of this Resolution be communicated to the Private and Military Secretaries to the Hon'ble the President, the Prime Minister's Secretariat, the Cabinet Secretariat, the Planning Commission and the Ministry of the Government of India as well as the State Governments.

Ordered also that the Resolution be published in the Gazette of India for general information.

Sd|-
(N. P. MATHUR)
Joint Secretary to the Govt. of India

To
The Manager,
Govt. of India Press,
Faridabad.

APPENDIX III

(*Vide* Para 3 of Introduction)

Analysis of action taken by Government on the recommendations contained in the Seventh Report of the Committee on Public Undertakings (Sixth Lok Sabha).

I	Total number of recommendations made	48
II	Recommendations that have been accepted by Government *vide* recommendations at	
	Serial Nos. 1, 2, 4, 5, 6, 7, 8, 18, 20, 21, 22, 26, 27, 28, 29, 30, 32, 33, 34, 35, 36, 38, 39, 40, 42, 43, 44, 45, 46, 47 and 48 . . .	31
	Percentage to total .	65%
III	Recommendations which the Committee do not desire to pursue in view of Government's reply *vide* recommendations at	
	Serial No. 37 .	1
	Percentage to total	2%
IV	Recommendations in respect of which r plies of Government have not been accepted by the Committee *vide* recommendations at	
	Serial Nos. 3, 15, 16, 19, 24, 25 and 31	7
	Percentage to total . .	15%
V	Recommendations in respect of which final replies of Government are still awaited *vide* recommendations at	
	Serial Nos. 9, 10, 11, 12, 13, 14, 17, 23 and 41 .	9
	Percentage to total	18%

GMGIPMRND—LS II—4389 LS—2-4-79—1379.